

TODAY'S WEATHER—PARIS: Partly cloudy, occasional showers. Temp. 62-64. Tomorrow: Partly cloudy. Temp. 62-64. (17-12). LONDON: Partly cloudy. Temp. 62-64. Tomorrow: Partly cloudy. Temp. 62-64. (18-12). NEW YORK: Partly cloudy. Temp. 62-64. Tomorrow: Partly cloudy. Temp. 62-64. (19-12). ADDITIONAL WEATHER—PAGE 2

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QUEEN'S ADDRESS—Queen Elizabeth reads speech in the House of Lords at yesterday's reopening of Parliament. The Prince of Wales, seated at left, wears his duke's robes for the first time during the ceremony.

Given in Queen's Speech

Tax Cuts, Union Curbs Top the Tory Program

By Anthony Lewis

LONDON, July 2 (UPI)—The new Conservative government today put tax cuts and labor union reform at the head of its program. As they said during the election campaign last month, the Tories indicated they would try to tackle inflation by the unorthodox method of a production boom. This may mean tax cuts by fall, instead of waiting until the regular budget next spring.

Ulster Police Blame IRA For Fatal Riot

BELFAST, July 2 (UPI)—Police today blamed two riot deaths in Northern Ireland on the outlawed Irish Republican Army and set up more barricades and roadblocks to prevent further violence.

A senior police official said members of the IRA were seen among the rioters during last weekend's troubles, which left six dead and hundreds injured. "We are certainly convinced that shooting around St. Matthew's Church in Bally Macarett was the work of the IRA," he said of disturbances blamed for two deaths.

Paisley Ousted
The Rev. Ian Paisley, leader of the militant Protestants, was thrown out of the Northern Ireland Parliament today and suspended for an unannounced period.

While arguing about certain campaign literature passed out during recent by-elections, he was asked to sit down by the speaker and refused.

Led away by a sergeant-in-arms, Mr. Paisley shouted: "If you would send me a second I would decapitate a few of these people before I leave."

Lord Balmori, British minister of state for defense, arrived in Belfast for talks with army officials. An army spokesman said 200 extra troops would be sent to set up headquarters for the 12,000-man force now in Northern Ireland.

Catholic Shot At
An unidentified gunman fired three shots at the Donaghmore home of Austin Currie, a Roman Catholic member of the provincial parliament, and missed him by about 12 inches.

Mr. Currie, who was on the telephone, said he saw a car draw up and then a second car drove off. "It was bang, bang and bang," he said.

One encouraging development in the AP said, was a decision 300 Roman Catholic employees at Harland and Wolff Shipyard to return to work. The shipyard had threatened to dismiss any non-Catholic shipyard workers had been threatened and ordered to stay away from their jobs by hard-liners among the 950 Protestant employees.

Bangor to Trial
DUBLIN, July 2 (Reuters)—Former Irish Finance Minister Charles Haughey and three other men were ordered today to stand trial to a "gun-running" case which at one point threatened to topple Prime Minister Jack Lynch's government.

A fifth man, former Agriculture Minister Neil Blaney, was cleared of the charges—conspiring to illegally import arms and ammunition into the republic.

Shift Seen By Russia On Mideast

Israeli Pullout Not Prerequisite

By Robert Estabrook

UNITED NATIONS, N.Y., July 2 (UPI)—Diplomatic sources saw a significant concession today in Soviet willingness to allow a new Middle East peace plan to take effect before total Israeli withdrawal from Arab territory.

This concession, encompassing statements binding Arab nations to peace rather than mere non-belligerency after first-stage Israeli withdrawal, is viewed as a major difference from a previous two-stage Soviet plan offered in December, 1968.

It is plain, however, that total Israeli withdrawal remains the objective of the new Soviet formulations presented in Washington and at the United Nations last month.

Whereas the 1968 plan envisaged a pullback of 20 to 25 miles from the Suez Canal as part of the first stage, the present formulations reportedly are deliberately vague on this point. Arab and Western sources said today the Russians have not specified what they have in mind.

Apparently, however, the first stage of withdrawal would be sufficient to permit the clearing of the Suez Canal. Reopening of the canal affording a strategic link with the Indian Ocean has been a major Soviet aim.

First Indication
U.S. policy, however, has been one of seeming indifference toward reopening the canal. Thus the new Soviet proposals are viewed by some observers here as a first indication that Moscow may be willing to compromise to renew access to the canal.

The new formulations were said on good authority today to be "more or less similar" to the 1968 Soviet plan. That envisaged a two-stage Israeli withdrawal after which Arab governments would have declared a state of nonbelligerency. United Nations troops would have been stationed at Sharm el-Sheikh, supposedly to insure freedom of navigation through the Strait of Tiran.

Under the present much looser formulation, Arab countries would file declarations of a state of peace with the UN upon completion of the first undefined stage of Israeli withdrawal. Both Israel and the United States have stressed the importance of a state of peace rather than mere nonbelligerency, although the Soviet proposal does not necessarily contemplate a formal peace treaty.

Another seeming change is the reported emphasis in the new proposals upon guarantees of territorial integrity. This could mean in effect that Arab governments would undertake to curb the incursions of Palestinian commandos.

Judge Stays My Lai Case, Sets Test of War's Legality

By Homer Bigart

ATLANTA, July 2 (UPI)—A Federal judge ruled today that a soldier accused of atrocities at My Lai could not be tried by court-martial until a three-man civilian panel had decided on the legality of the Vietnam war and the constitutionality of the U.S. Army's Uniform Code of Military Justice.

District Judge Albert Henderson made permanent a temporary restraining order obtained last week by civilian and military lawyers representing Sgt. Esqueil Torres, 22, of Brownsville, Texas. That order marked the first intervention by the civilian judiciary in the pretrial stages of a court martial.

Sgt. Torres is charged with murdering at least three Vietnamese with a machine gun during the alleged massacre of more than 100 civilians, including women and children, at the My Lai 4 hamlet of Song My by men of Company C, 1st Battalion, 20th Infantry, 11th Air Division on March 16, 1968.

Sgt. Torres is also charged with premeditated murder in the hanging of a Vietnamese man just before the My Lai incident. Earlier today, Pfc. Gerald Anthony Smith, accused of murder and "indecent assault" on a woman during the My Lai incident, was taken before a pretrial hearing at 3d Army Headquarters, Fort Monmouth, at Atlanta, Col. Richard L. Jones, the military judge, granted an indefinite delay of proceedings after both defense and prosecution said they were not ready for trial.

At the federal court here, Charles L. Weiner, a former congressman who is the chief counsel for Sgt. Torres, said his client would have faced a pretrial hearing at Fort Monmouth next Monday if the civilian court had not intervened.

Mr. Weiner's petition for injunction contended that United States military involvement in Vietnam had been conducted "without constitutional or other lawful authority," on command of President Nixon without a lawful declaration of war by Congress.

Nixon Appoints Bruce as Head Of Delegation at Peace Talks

Hopes Hanoi Reacts Favorably to Move

By Robert B. Sample Jr.

HOLLYWOOD, Calif., July 2 (UPI)—President Nixon announced last night the appointment of David K.E. Bruce to head the U.S. delegation at the Paris peace talks.

Mr. Nixon, who made the announcement during an unusual one-hour "conversation" with three television network commentators, promised Mr. Bruce "great flexibility" in the conduct of the negotiations and expressed the hope that "this move on our part will be reciprocated by a similar move on the part of the North Vietnamese in attempting to find a peaceful solution to the war in Vietnam."

The 72-year-old diplomat, who has served as ambassador to England, France and West Germany, will succeed Henry Cabot Lodge, who resigned last winter. Philip Habib has been serving as acting chief of the delegation and will continue as Mr. Bruce's deputy.

The appointment was advertised by the President's advisers as an important overture designed to demonstrate the President's intentions to follow up the invasion of Cambodia with efforts to move the peace talks off dead center.

2 Minimum Conditions
Mr. Nixon indicated last night that the United States would return to the peace table in a flexible frame of mind but would not relinquish two minimum conditions. It would not abandon the right of the South Vietnamese to determine their own future, and it would not agree to impose a coalition government on the South Vietnamese, although it would accept such a government as a natural result of negotiations.

Moreover, the tone of many of the President's answers last night regarding future American involvement in Indochina indicated very clearly that he was prepared to match Hanoi in a protracted struggle in Vietnam. He indicated a willingness to maintain substantial forces in Indochina until the enemy is willing to accept a "just peace" that would neither "humiliate" the United States nor encourage the Communists to embark on "expansionist policies in other areas" of Southeast Asia.

Major Points
Among other major points that emerged from the discussion were these:

● The President said that he regarded the crisis in the Middle East as a grave threat equal in magnitude to Vietnam.

● He refused categorically to say that he would not reintroduce American troops to Cambodia, but emphasized: "We do not plan on it."

● He said that he recognized the discontent in the United States caused by his policies in Indochina but he asserted that domestic dissent would not prevent him from acting decisively again to protect American lives and the withdrawal program if circumstances required it.

● He repeated what has now become the familiar administration expectation that Hanoi would be persuaded eventually to negotiate a settlement rather than to undergo a protracted struggle with a strengthened and self-reliant South Vietnamese Army.

● He said that he would consult with the Congress on foreign policy and military matters whenever possible, but—invoking the memory of President John F. Kennedy's swift response to the Cuban missile crisis—he defended the right of all Presidents to act quickly without prior consultation.



TV NEWS SPECIAL—President Nixon and John Chancellor, of NBC News, exchange smiles before the President's hour-long, televised "conversation" on foreign policy with newsmen representing the three U.S. networks, ABC, CBS and NBC.

Calls It More Dangerous Than Vietnam

Nixon's Fears on Mideast Mount

SAN CLEMENTE, Calif., July 2 (UPI)—President Nixon and his senior associates are becoming increasingly preoccupied and alarmed by the situation in the Middle East, before World War I. The United States and the Soviet Union could be drawn into a confrontation that neither of them wants.

He pledged that the United States would maintain the balance of power in the area because "once the balance shifts, and Israel is weaker than its neighbors, there will be a war."

Equally, if not more revealing, are the private conversations of his aides here. In tones that border on the apocalyptic, they describe the Middle East as a far more difficult problem—conceptually and practically—than Vietnam, and they continue to regard it as the single most likely cause of a great-power confrontation.

The problems of the area, they tell newsmen here, go well beyond the direct dispute between the Israelis and Arabs over the territory Israel captured in the 1967 war, or even the larger dispute over Israel's sovereignty.

The essential concern among the President and his staff derives from their uncertainty about the Soviet Union's long-range intentions, and their fear that Moscow may well be embarked on a program of radicalizing the moderate Arab states, establishing control by proxy over the oil-producing countries of Iran and Saudi Arabia, and enlarging the combat base they have now established in the United Arab Republic to cover the entire eastern Mediterranean.

When queried about possible American responses to this situation, the officials have been saying that the Middle East does not presently require what they call an "overwhelming American presence," although they insist that the United States has an overwhelming interest in keeping the Mediterranean from falling under Soviet domination. But they are silent on what other steps they might take, and in their silence seems to be a rather stiff warning to Moscow.

These thoughts and fears have emerged here in the last week on (Continued on Page 2, Col. 3)

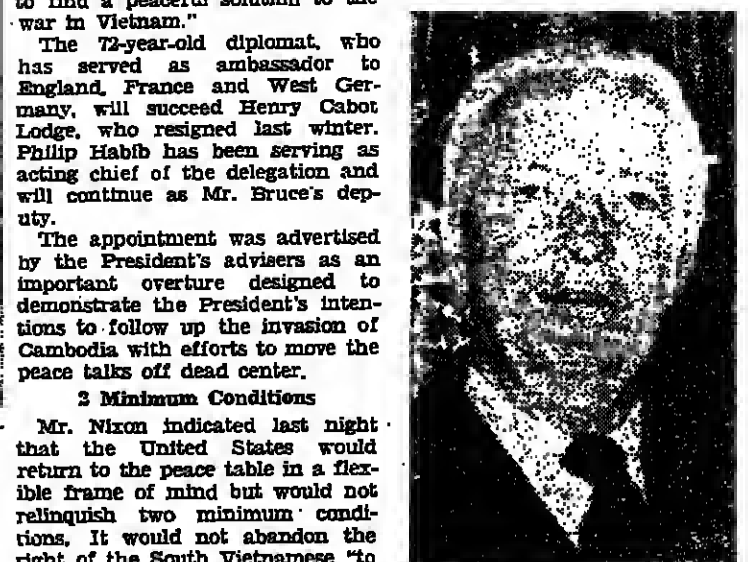
He pledged that the people of Indochina "cease to be made the stakes and the victims of rivalries" (Continued on Page 2, Col. 5)

At the federal court here, Charles L. Weiner, a former congressman who is the chief counsel for Sgt. Torres, said his client would have faced a pretrial hearing at Fort Monmouth next Monday if the civilian court had not intervened.

Mr. Weiner's petition for injunction contended that United States military involvement in Vietnam had been conducted "without constitutional or other lawful authority," on command of President Nixon without a lawful declaration of war by Congress.

Wide Effects
Counsel for the Army told the judge that the granting of a permanent injunction would encourage a flood of similar petitions and "hamstring the whole system of military justice."

But Judge Henderson said he would ban a military trial until a federal tribunal consisting of one Appeals Court judge and two District Court judges had ruled on the constitutional issues. The panel is expected to convene in August. Meanwhile, the Army may go ahead with its pretrial preparations, the judge said.



David K.E. Bruce
...Paris talks chief.

● He embraced, more explicitly than ever before, the so-called "domino theory," which holds that a Communist victory in South Vietnam would encourage the enemy to undertake wars of liberation elsewhere in Asia.

He went on to say that a humiliation in Vietnam would be "immensely discouraging" to 500 million non-Communist Asians, and "immensely encouraging" to the leaders of Communist China and the Soviet Union.

The "conversation with the President" represented the President's first use of this format since his inauguration. His questioners were John Chancellor of the National Broadcasting Co., Eric Severeid of the Columbia Broadcasting System and Howard K. Smith of the American Broadcasting Co.

The session took place in the headquarters of station KABC in Hollywood.

According to White House officials, arrangements had been made between the President and the three commentators for the program on the questions to be asked.

Bruce En Route To See Nixon

LONDON, July 2 (UPI)—David K.E. Bruce, new chief U.S. negotiator at the Vietnam talks in Paris, left London for discussions with President Nixon in the United States, an American Embassy official said today.

Mr. Bruce, who has lived in London for much of the time since his retirement as ambassador to Britain last year, left today, the official said. He did not know Mr. Bruce's destination in the United States or where he planned to meet the President.

News Analysis

A New Paris Negotiator, But No New Cards

By Chalmers M. Roberts

WASHINGTON, July 2 (UPI)—President Nixon has named one of America's most distinguished diplomats to sit at the Paris negotiating table. But he gave him no new cards with which to deal with the Communists.

Indeed, the way in which Mr. Nixon described his objectives in the war and his view of Vietnam's role in what he saw as the world struggle with Communism, the President was simply restating long-held positions.

David K.E. Bruce, an old-school diplomat with the most impeccable credentials, is, indeed, as the President said, "superbly qualified." But it will take more than the man to make peace at the Paris conference.

The President said that Mr. Bruce would have "great flexibility" but nothing that he went on to add gave any hint of change in the American negotiating posture up to now.

(Robert C. Tuth of the Los Angeles Times reported that it was learned last night that the State Department chief expert on Vietnam, Deputy Assistant Secretary William Sullivan, has been putting together a program for the peace talks.)

Mr. Sullivan visited Paris earlier this week to confer with Philip Habib, the chief American delegate at the Paris talks since Henry Cabot Lodge resigned last December, Mr. Tuth reported.

One hint of a new direction came earlier this week when State Department officials said that the United States would be willing to participate in preliminary discussions with the North Vietnamese without the South Vietnamese being present.

The President contended that the history of negotiations shows that one side changes its position only when "the balance of power" changes, and he made it clear that he expected that it would change in the ally's favor.

Mr. Nixon also offered a cease-fire with international supervision, an old idea that the Communists have spurned.

His third proposal, free elections in which the Communists can participate, could, he said, lead to Communists in "some positions" of "power" in South Vietnam.

Once again, he said that the United States would not "impose" a coalition regime on South Vietnam. If the South Vietnamese choose a "mixed" government, he added, "that's up to them." The President strongly expressed his view that in any election the South Vietnamese would choose a non-Communist government and he recounted the fact that no Communist regime anywhere has been popularly voted into power.

The President backed "the doctrine" (Continued on Page 2, Col. 5)

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Israeli Jets Said to Hit Sites Of SAM-2 Missiles on Canal

TEL AVIV, July 2 (UPI)—Israeli jets today blasted SAM-2 ground-to-air missile batteries in Egypt that may have shot down two Israeli planes Tuesday.
All Israeli planes returned safely.

Information Aide Quits Jordan's New Cabinet

AMMAN, Jordan, July 2 (AP)—Prime Minister Abdul Monem Rifai's six-day-old government had its first jolt today with the resignation of Information Minister Mohammad El-Farra.
An announcement said only that King Hussein had accepted the resignation of Mr. El-Farra, who was Jordan's chief delegate at the United Nations before taking the information post.

No replacement was announced. A source said Mr. El-Farra preferred to remain in his UN post. The new Jordanian cabinet was formed last Saturday to try to ensure a peaceful coexistence with the Palestinian guerrillas. A four-man Arab reconciliation committee is now in Amman probing into the causes of last month's bloody clashes between Jordanian Army troops and the guerrillas.

Red China Claims It Downed 31 U.S. Planes Since 1964

TOKYO, July 2 (AP)—Communist China claimed today that it had shot down 31 U.S. planes between June, 1964, and May 1970. The Peking radio, in a broadcast monitored in Tokyo, said the Chinese did not lose a single plane while downing the U.S. aircraft. It said 20 of the 31 planes were unmanned reconnaissance aircraft. Peking gave no information on the fate of the crewmen who may have been aboard the other 11 planes, except to say that a U.S. Air Force captain had been captured.
The radio also said that between Sept. 7, 1968, and last May 23, Peking "seriously warned" the United States 474 times on what it said were U.S. "air and sea intrusions into Chinese territorial airspace and seas."

Bomb Scare, Strike Add to Orly Confusion

PARIS, July 2 (Reuters)—A strike by porters, a false bomb scare and burst tires on a plane shortened tempers and lengthened lines at Orly Airport here today as the slowdown by air traffic controllers ended its seventh day without a sign of settlement.
As the 60,000 people scheduled to take today's planned 592 flights crowded into the stricken airport, a Pan American DC-6 burst its tires when taxiing for takeoff, forcing passengers to rejoin the hour-long lines. The baggage porters' walkout meant passengers had to wait an hour for luggage.

from morning and afternoon strikes at sites for the Soviet-built SAM-2 missiles in the southern and central sectors of the Suez Canal zone, a military spokesman said.

(In Cairo, a military spokesman said one Israeli plane was hit, four Israeli tanks were destroyed, "a number" of armored vehicles caught fire and five Egyptian soldiers were injured in fighting along the canal today, United Press International reported.)

(The spokesman said Egyptian heavy artillery in the canal's southern sector opened fire against Israeli positions across the waterway. "At 4:30 p.m. the enemy tried to avenge his losses by sending 16 Phantom and Skyhawk jets to attack our positions," the spokesman said.)

(They were intercepted by our air defense methods, which prevented them from accomplishing their objectives and which also hit an enemy aircraft that was seen burning as it headed eastward," he said.)

Missiles Tuesday, for the first time since the 1967 war, downed two Israeli jets in the canal's central sector.

"We Hope So"

Asked if the central sector SAM sites blasted this afternoon were the ones that launched Tuesday's missiles, an Israeli military source said, "We hope so."

Earlier, the military source had said the southern sector sites hit in the 43d consecutive day of Israeli air raids on the canal were not the ones that shot down the two Israeli jets.

The Israeli Air Force also raided targets along the northern Gulf of Suez today, a military spokesman said, but he gave no details of these attacks.
In other action today, the Belson Valley towns of Bet Yosef and Yardenia, about ten miles south of the Sea of Galilee, came under rocket attack twice from Jordanian territory, a military spokesman said. There were no casualties, he said.

Nixon's Fears On Mideast

(Continued from Page 1)

two occasions in addition to Mr. Nixon's one-hour live television conversation with three network newscasters last night. The first was in a four-hour private back-ground session with newspaper and television executives last Friday—the contents of which were embargoed until today. The second was in a shorter background for White House reporters before Mr. Nixon's final report to the nation on Cambodia Tuesday.
The news executives were briefed, according to an earlier White House announcement, by Henry A. Kissinger, the President's national security adviser; Lt. Gen. John V. Vogt Jr., director of operations for the Joint Chiefs of Staff; and William H. Sullivan, deputy assistant secretary of state for East Asian and Pacific affairs.
Under the rules governing such sessions, the briefers must be quoted indirectly, but even so their comments present a bleak portrait relieved only by the hope that the Soviet Union will itself find unacceptable risks in its effort to enlarge its sphere of influence.

Accordingly, every new peace proposal is welcomed on the theory that as long as the United States and the Soviet Union can keep talking, a general conflagration can be prevented.
The Nixon administration will not comment directly, however, on the new Mideast peace proposal submitted by Moscow to the big four powers—the United States, the Soviet Union and France and Britain—on grounds that it has not yet studied the plan in complete detail.

As for the administration's new initiative, announced in the most general terms by Secretary of State William P. Rogers at a news conference in Washington last Thursday, White House officials would provide few new details except to suggest that the proposal contained the following major elements:

• For the short range, a 90-day cease-fire to improve the atmosphere for a new round of talks under Gunnar V. Jarring, the United Nations mediator.

• Reaffirmation of the UN Security Council resolution of Nov. 23, 1967, providing for Israeli withdrawal from occupied Arab territories and the Arabs' recognition of Israel's right to exist within secure boundaries.

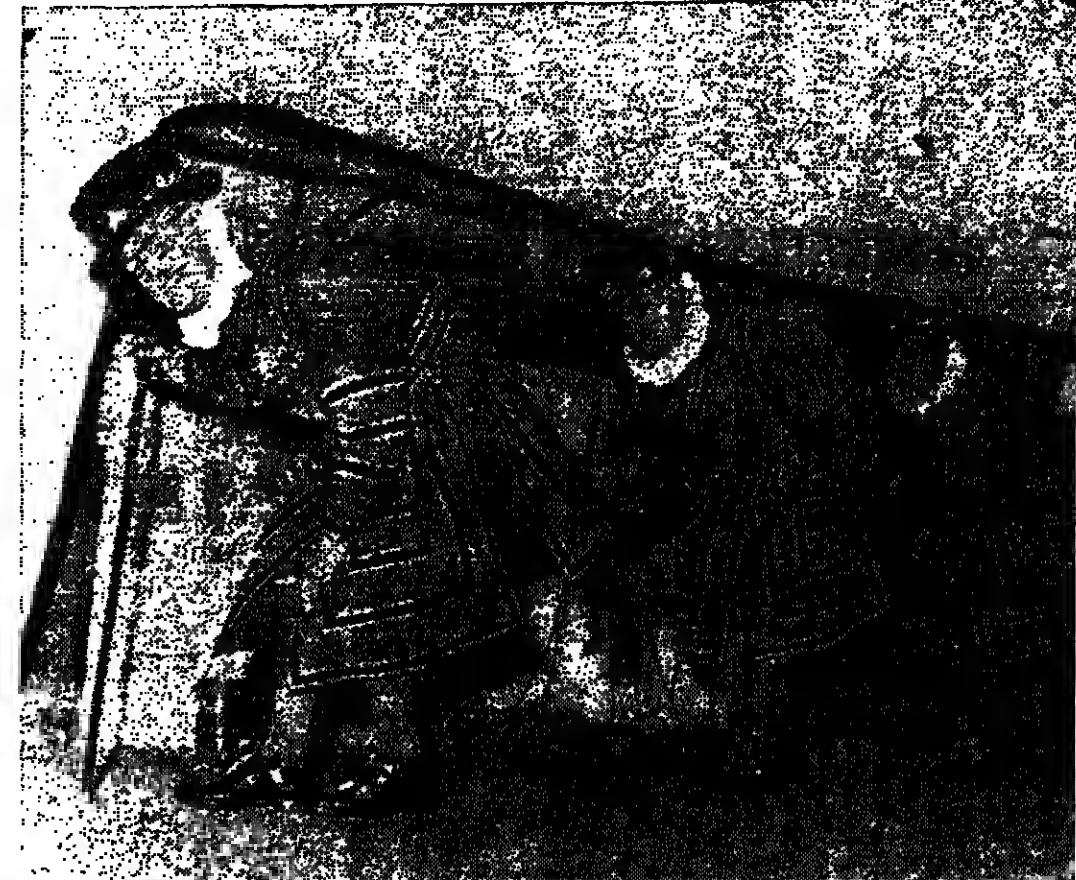
• Establishment of a demilitarized zone, not along the present dividing line between the Israelis and Arabs at the Suez Canal, but at a point at or near the borders of Israel or some other line established through the negotiating process.

Such a zone, the officials emphasized, would require the Israelis to relinquish an undetermined amount of its captured territory in exchange for assurances that the areas thus given up would not be available for the deployment of Arab armies.

Adm. Zumwalt Sworn

ANNAPOLIS, Md., July 2 (UPI)—Adm. Elmo Zumwalt Jr., 49, was sworn in yesterday as the youngest chief of naval operations. He succeeds Adm. Thomas Moorer, 58, who becomes chairman of the Joint Chiefs of Staff.

He got the television set, but while he was inside, police ticketed him for parking in a restricted zone.



SECURITY CHECK—Yeoman Warders make a largely ceremonial search of the vaults below Parliament before Queen Elizabeth's speech reconvening the lawmakers. The searches began after Guy Fawkes and other conspirators planted gunpowder under the House of Lords in an unsuccessful attempt to blow up Parliament while King James I was speaking on Nov. 5, 1605, at a reopening ceremony.

Tories Plan To Cut Taxes, Curb Unions

(Continued from Page 1)

judges in wigs, bishops in their robes. The commoners, including Mr. Heath and Harold Wilson, new leader of the opposition, were summoned from their chamber and stood at the back.

The speech was handed to the queen by the new lord chancellor, Lord Hailsham—a symbol of the fact that it is written for her.

Diamonds sparked from Elizabeth's neck as she read, slowly, for nine minutes. She seemed a bit startled—perhaps reflecting the comment of her grandfather, George V, that one of the worst imaginable ordeals was to deliver somebody else's speech while balancing a two and one-half pound crown on your head.

Battling Starts

After the pageantry the members of the Commons trooped back over there and got down to their business, politics. Within a few minutes the noble platitudes had given way to savage attack.

Mr. Wilson, after first promising not to lead a "fractious" opposition, denounced many items in the government program. He spoke of a "sellout to the commercial lobby." He said there would be "straight opposition" from Labor to the sale of council houses in areas of great housing need.

He had hard criticism for the long-planned Conservative reform of labor law. Among other things the Tories want to encourage legally enforceable labor-management contracts and to provide government power to delay wildcat strikes.

Such steps could be "a prescription for total anarchy and chaos in Britain's industrial relations," Mr. Wilson said. As prime minister, Mr. Wilson had his own labor reform bill but dropped it a year ago under union pressure. Mr. Heath rose to reply in kind to Mr. Wilson's strong words. He said sarcastically that Mr. Wilson would be happier now in opposition—free to use "every verbal gimmick which can be thought up by him, cheap jibes."

The two leaders also clashed on foreign policy—an area in which the queen's speech had little to say. It seemed to treat with great care the areas in which the Conservatives, while electioneering, proposed change.

Thus the queen's speech spoke only of consulting Persian Gulf leaders on common interests, rather than of maintaining British forces there. It vaguely promised talks with Commonwealth friends on stability in Southeast Asia. It did not mention arms for South Africa.

But Mr. Wilson, assuming that the government will resume the queen's speech had had little to say. He said that Britain's world standing must be rooted in morality and idealism.

One Man's Day With Lady Luck

DENVER, July 2 (AP)—Mike Eagan, who was unlucky enough to be born on July 8, 1931—the No. 1 draft priority in yesterday's lottery—was still a bigger winner and loser than most.

Mr. Eagan, a student at Western Technical College here, drove to radio station KTLA right after the drawing to collect a color television set offered the first male with the unlucky birthday to show up at the station.

He got the television set, but while he was inside, police ticketed him for parking in a restricted zone.

Nixon Sending Bruce to Paris With No New Cards to Play

(Continued from Page 1)

mino theory" and declared that those who disagree "haven't talked to the dominoes," those nations in Southeast Asia that also could fall to Communism if Vietnam were lost. He tied failure in Vietnam to "encouraging" the Soviet Union and China "in their expansionist policy in other areas" of the world.

In short, Mr. Nixon said that he knew that "cold-war rhetoric is not fashionable" today. He added that "I'm not engaging in it." But he was to a very considerable degree.

There was much more to last night's television interview—including an underserved slur at former Under Secretary of State George W. Ball as sharing responsibility for the war—but the sum of the President's posture was clear: If he has his way the United States will not be "humiliated or defeated" (that would lead to "rampant isolationism" in the United States) and, to present that, he intends to keep on fighting.

Fighting until there is a settlement, that is, by arms or by negotiations. It is a tough takeoff position for David Bruce when he gets to Paris around Aug. 1.

Mr. Bruce, as Mr. Nixon said, is the only American who has served as ambassador to Britain, France and West Germany. He also is the only person, certainly in recent years, who also once served in both the Maryland and Virginia Houses of Delegates. At 72, he will be coming out of a well-earned retirement.

Mr. Bruce has served five presidents but always in European and Atlantic affairs. Tall, silver-haired, witty, affable, a charmer, Mr. Bruce has always had the widest respect of professional diplomats.

Mr. Bruce served in World War I, entered the Foreign Service in 1921, worked for the OSS in World War II, headed the Marshall Plan in Paris for a time, was named ambassador to France by President Harry S. Truman, ambassador to Germany by President Dwight D. Eisenhower and ambassador to Britain by President John F. Kennedy. Ironically, President Kennedy passed him over for secretary of state in 1961 on the grounds of age.

Mr. Bruce, who is now in London, will meet the President in San Clemente, Calif., on July 4 and Secretary of State William P. Rogers in London on July 11. He will

Pompidou Takes Harsher Line on U.S.

(Continued from Page 1)

they don't understand and which don't even concern them."

Mr. Pompidou said that the French proposal for an international conference of "all interested parties" to restore peace in Indochina still was valid. "How do you expect to put an end to the war except by talking?" he said. He specifically mentioned Communist China as a country which would have to be party to the talks.

Mr. Pompidou answered questions for 90 minutes at the Elysee Palace and when asked about the Middle East seemed little more optimistic than on Indochina.

"Time is working against Israel," he said, and would continue to work against Israel. "Until now," he said, referring to the Big Four peace talks, "all our efforts have been without great effect." He said that chances now were perhaps a little better than they had been, but that it was a mistake for individual Big Four members to present peace plans.

"The Four must present a common peace plan," said Mr. Pompidou, "for only a common plan can be accepted by all sides. Any isolated plan presented by one nation is automatically suspected by one of the sides."

Once more, Mr. Pompidou said that there would be no change in the French embargo of arms to

participate in a National Security Council meeting around July 15.

If that session affirms the hard posture outlined last night by the President, David Bruce is going to be in Paris for a long time, waiting to open negotiations—unless Hanoi does a somersault, takes Mr. Nixon at his word and comes up with a new position of its own, something not now on the horizon.

The War in Indochina

4 Planes Lost in Laos, Base Near Hue Hit, Cambodia Quiet

SAIGON, July 2 (UPI)—The U.S. command today announced the loss of four aircraft in operations over Laos and said nine crew members were killed in the crashes were missing.

The Laotian government, meanwhile, said it was prepared to discuss with the Pathet Lao a halt to American bombing missions in Laos, but turned down Communist demands that the raids be stopped as a precondition to peace talks. Spokesmen in Vientiane said the

GI Deaths Rose In Last Week In Cambodia

SAIGON, July 2 (UPI)—U.S. combat deaths rose sharply in the final week of the campaign in Cambodia, allied military spokesmen said today.

U.S. military spokesmen said 104 Americans were killed and 802 wounded in the seven-day period ending June 27, compared with a toll of 80 dead and 643 wounded in the previous week.

Officials said 34 U.S. servicemen were slain in Cambodia and 297 wounded. Action across the border in the previous week led 20 Americans dead and 255 wounded.

The latest report brought to 42,858 the number of Americans killed in action in Indochina since Jan. 1, 1961.

Nuclear Cooperation

Mr. Pompidou called eventual nuclear cooperation with Britain both "possible" and "probably desirable." But he said there were limits, and above all it must not be used as a ploy to try to get France to rejoin NATO.

On internal politics and economics, Mr. Pompidou gave a rigorous defense of free enterprise and decentralization of political and economic power in France. He praised economic decentralization in the United States, and said that in France business leaders now recognized that the time of their "divine right" was over.

Trying to put an end to the rumors of difficulties between himself and Prime Minister Jacques Chaban-Delmas, Mr. Pompidou said there was no crisis between them. He criticized the prime minister indirectly, however, when he said the time had come for government reform, not just studies of reform.

Asked how long he planned to keep the prime minister on, he said he would try to find a compromise between the six years that Gen. de Gaulle kept him and the six-month period wanted by the advocates of change.

Lon Nol Gets Full Powers; Cambodian Cabinet Enlarged

By Henry Kamm

PHNOM PENH, July 2.—Premier Lon Nol asserted today on behalf of himself and Deputy Premier Sisowath Sirk Matak their joint and full power to take all governmental decisions during the war emergency.

The proclamation of what most political and diplomatic observers consider unrestricted power came in two messages to the nation, one by chief of state Chheng Heng and the other by the premier. Both were based on a vote of "full confidence and total support" for Lt. Gen. Lon Nol and Maj. Gen. Sirk Matak taken by the National Assembly last Saturday and not announced until today.

The effect of the proclamations, in the view of qualified sources, is largely to make more specific the existing state of affairs.

No one in Cambodia since last March 18, when Prince Norodom Sihanouk was overthrown, has appeared in any doubt that Gen. Lon Nol and Gen. Sirk Matak were making all the important decisions.

This appears to have aroused no serious opposition from a nation that appears to foreign observers to be remarkably placid in the face of grave crisis and generally uncritical of its leaders.

Muted criticism that Gen. Lon Nol was not acting decisively, advanced by a group of deputies that was instrumental in Sihanouk's removal as chief of state, was quickly quelled. Today's proclamation, preceded by a cabinet reshuffle, underlined the reassertion of the two leaders' full powers.

The first measure the premier mentioned was the cabinet reshuffle, which increased the number of ministers from nine to 16 and added a number of younger, well-educated men of modern outlook to the cabinet. This is believed intended to lessen the intellectual emanating from the Sihanoukian leadership was not sufficiently employing the talents of the university-educated younger men who had also been kept out of influential posts under Sihanouk.

Cabinet Enlarged

In the cabinet shuffle, Koun Wick replaced Yem Sambour as foreign minister, but the latter will remain in the cabinet as minister of state charged with justice and relations with parliament.

The principal loser in the shuffle was Information Minister Trinh Hoanh, who was left out of the new cabinet but remains as secretary-general of the Sangkum, Cambodia's only political party.

Trinh Hoanh, one of the leaders of the parliamentary group that engineered the overthrow of Prince Norodom Sihanouk as chief of state, has been heavily criticized by circles close to Gen. Lon Nol and Deputy Premier Sirk Matak, who named him Information minister only after Trinh Hoanh had used his influence in the National Assembly.

The new information minister is Keuk Kyim, an American-educated young deputy who is representative of the younger, intellectual elite that has been expressing impatience with the prevalence of old politicians in leading posts.

Ziegler Says No GIs Shuttle Into Cambodia

SAN CLEMENTE, Calif., July 2.—White House Press Secretary Ron Ziegler said yesterday that a report that U.S. advisers in civilian clothes are continuing to commute daily from South Vietnam into Cambodia is "not correct."

"I do know that all American forces have been withdrawn from Cambodia," Mr. Ziegler said. "A report from Saigon that U.S. military advisers still active in Cambodia despite President Nixon's June 30 deadline for ending all U.S. ground operations there."

Mr. Ziegler said he had no information to confirm a part of the report which said a U.S. project is under way in South Vietnam to equip, train and pay as many as 10,000 members of the 40,000-man Cambodian army.

Mr. Ziegler also reported that President Nixon intends to stand firm on his Guam doctrine, under which he pledged last July to support Asian countries that cooperate in their own defense, despite Senate passage Tuesday of the Coeur d'Alene amendment.

The amendment would bar future U.S. military ground operations in Cambodia without congressional consent, and would deny funds to finance operations of a third nation in support of Cambodian troops.

"The essence of the Nixon doctrine," Mr. Ziegler said, "is to encourage Asians to deal with Asian problems. The President intends to pursue the doctrine and stand by his point of view."

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Thant Issues Appeal On Mekong Project

UNITED NATIONS, N.Y., July 1 (UPI)—Secretary-General U Thant appealed today to the participants in the Indochina war not to interfere with the UN-sponsored Pictet Thonot power and irrigation project on the Mekong River in Cambodia following incursions by Communist forces.

Work was suspended on the main dam and the Japanese contractor evacuated foreign workers to Phnom Penh. The situation is still described as insecure although other related work has continued with Cambodian employees.

WEATHER

	° F	° C
ALBANY	28	Cloudy
ALBUQUERQUE	28	Partly cloudy
ANAS	28	Partly cloudy
ATLANTA	27	Sunny
BALTIMORE	28	Sunny
BELLEVILLE	28	Partly cloudy
BIRMINGHAM	28	Partly cloudy
BOSTON	28	Partly cloudy
BUFFALO	28	Partly cloudy
CALGARY	28	Sunny
CASPER	28	Sunny
CHICAGO	28	Sunny
CINCINNATI	28	Sunny
CLEVELAND	28	Sunny
DALLAS	28	Sunny
DENVER	28	Sunny
DETROIT	28	Sunny
EL PASO	28	Sunny
HOUSTON	28	Sunny
KANSAS CITY	28	Sunny
LAKE CHARLES	28	Sunny
LOS ANGELES	28	Sunny
MEMPHIS	28	Sunny
MILWAUKEE	28	Sunny
MINNEAPOLIS	28	Sunny
MOBILE	28	Sunny
MONTREAL	28	Sunny
MOSCOW	28	Sunny
MUNICH	28	Sunny
NASSAU	28	Sunny
NORFOLK	28	Sunny
OKLAHOMA CITY	28	Sunny
OMAHA	28	Sunny
PHILADELPHIA	28	Sunny
PITTSBURGH	28	Sunny
PORTLAND	28	Sunny
RICHMOND	28	Sunny
SALT LAKE CITY	28	Sunny
SEATTLE	28	Sunny
SPRINGFIELD	28	Sunny
ST. LOUIS	28	Sunny
TAMPA	28	Sunny
TORONTO	28	Sunny
WASH. DC.	28	Sunny
WICHITA	28	Sunny
WINNIPEG	28	Sunny
YAKIMA	28	Sunny

In House-Senate Conference

President Expects Softening Of War-Curb Bill's Language

LOS ANGELES, July 2 (AP)—President Nixon expressed confidence last night that Senate-House conferees would modify the restrictions on future U.S. activities in Cambodia passed by the Senate.

The debate that led to Senate passage Tuesday of the Cooper-Church amendment, the President said, "has not particularly distinguished that august body." He added that he expected the joint action by Senate and House conferees "will be more responsible than the Senate on the original amendment."

He said that the sponsors of the Cambodian curbs, Sen. Frank Church, D. Idaho, and Sen. John Sherman Cooper, R. Ky., "are

good men. They are dedicated to peace. So am I."

"The only difference is that I have responsibility for 240,000 men. They don't," he added.

Mr. Nixon insisted during a television-radio interview with three network newsmen that he had conferred "with a good many people" before launching the attack, "including a good many members of the Senate and members of the House."

Senior congressional leaders have charged that Mr. Nixon did not consult with any of them about the U.S. attack into the Communist sanctuaries in Cambodia.

Mr. Nixon said that in the case of a sustained move into Cambodia "we need congressional support for our actions."

"But when we have this limited, very precise action" to protect American lives, he went on, "I had to take the action I did and I do not think it would have been wise to have given them advance warning."

"This American President is going to bend over backwards to consult the Senate and to consult the House," Mr. Nixon said. "But when it comes to the lives of American men, this President is going to come down hard on the side of the American men."

Mr. Nixon said that he favored two major changes in the Cooper-Church amendment by the conferees: assurance that the President's power to protect American forces is preserved and authority to permit U.S. support of other Asian nations wanting to help Cambodia.

He made the same request in a June 4 letter to the Senate Republican leader, Hugh Scott of Pennsylvania. But the two key amendments to carry out these goals were rejected by the Senate, both times by five-vote margins.

Stalemate Predicted
WASHINGTON, July 2 (WP)—A prolonged congressional stalemate over the Senate decision to restrict future U.S. military operations in Cambodia was forecast yesterday by Republican congressmen.

However, administration officials acknowledged that a delay would be harmful to President Nixon because of legislation being held at hostage by the Senate.

Almost forgotten in the Senate's seven-week Cambodian debate, which ended Tuesday with adoption of the Cooper-Church amendment, was an administration-sponsored bill to provide continued authority for credit sales of military equipment to foreign allies.

The bill, which was passed by the House last March, became the vehicle for the amendment. It now goes to a joint conference committee of senators and congressmen to put it into final shape for presentation to Mr. Nixon. The delay part will be in the fact that the bill as passed by the more conservative House contained no measure corresponding to the anti-Cambodian war proviso added in the Senate.

A test of strength will ensue to see whether the anti-war language goes to the President. If it survives, it could become law, as Mr. Nixon cannot veto it without killing the entire military sales bill.

"It looks like a logjam," said an aide to one of the ranking Republican members of the House Committee. A similar view was expressed by an associate of the House Republican leader, Rep. Gerald R. Ford of Michigan.

According to the Pentagon, 790 men are officially listed as missing in North Vietnam.

When it signed the 1948 Geneva convention on treatment of prisoners of war in 1957, North Vietnam introduced a reservation that it allowed it to treat captured American pilots as "war criminals."

So far as is known North Vietnam has never actually tried any of the pilots as war criminals. Thus, the statement placing responsibility toward families of missing men on the Nixon administration strikes observers as being an indirect admission, for the first time, that the North Vietnamese government bears some responsibility at least for the treatment of captured American pilots as prisoners of war.

Referring to the question of those listed as missing by the United States, the last paragraph of the communiqué declared that "the Nixon administration must bear the full responsibility toward their families." This is a statement that is considered the closest North Vietnam has so far come to acknowledging that it bears a responsibility toward those it admits it holds as prisoners.

North Vietnam is reported to have acknowledged the names of 334 American prisoners. The American government contends that 976 Americans are prisoners in North Vietnam.

Hanoi Aide Sees No New U.S. Initiative

By Anatole Shub

PARIS, July 2 (WP)—North Vietnamese spokesmen reacted cautiously today to hints that the Nixon administration might now be preparing to negotiate more seriously on the political future of South Vietnam.

Nguyen Thanh Le, Hanoi press spokesman at the deadlocked peace talks here, said that the appointment of David E. Bruce as the new chief U.S. negotiator "does not constitute an initiative," but was to be considered "ordinary."

He declined to say whether the North Vietnamese delegation, Xuan Thuy, absent from the conference since Henry Cabot Lodge quit as his U.S. counterpart last December, might soon return.

Mr. Le asserted that Mr. Thuy "remains the chief of the delegation," and noted merely that he had returned to Hanoi on May 11.

Quered on Coalition
Mr. Le was also asked about the willingness expressed by a U.S. State Department spokesman to discuss bilaterally with Hanoi the composition of a future coalition government in Saigon. Formation of a "provisional coalition government" in South Vietnam has been one of the key Communist demands for a negotiated settlement.

But Mr. Le, in effect, declined to address himself to internal Washington hints. He stressed, instead, that neither President Nixon in his two reports this week nor U.S. negotiator Philip Habib at today's fruitless session of the talks had advanced any offer about discussing a coalition government.

"Not a Millimeter"
"The Nixon administration opposes a provisional coalition government," Mr. Le said, asserting that thus far the U.S. position had not changed "one millimeter."

Mr. Le's remarks were generally taken to mean that Hanoi would wait until the United States moved formally—with the assent of Saigon—to discuss a coalition before committing itself.

Sihanouk Back in Peking

TOKYO, July 2 (AP)—Prince Norodom Sihanouk, the deposed leader of Cambodia, today returned to Peking after a 15-day state visit to North Korea. Japan's Kyodo news service reported from Peking.

A Responsibility for POWs Is Acknowledged by Hanoi

By Arthur Dommen

VIETNAMESE, Laos, July 2.—North Vietnam, in a new statement of policy on American prisoners of war, disclaimed all responsibility for men listed by the United States as missing. By inference, however, the statement is regarded here as an admission—Hanoi's first—that North Vietnam is, in fact, responsible for those prisoners of war that it is known to be holding.

Previously, Hanoi had held to its 1957 policy statement that captured Americans should be regarded as "war criminals."

The new policy statement was issued in a four-paragraph communiqué put out by Hanoi's embassy here.

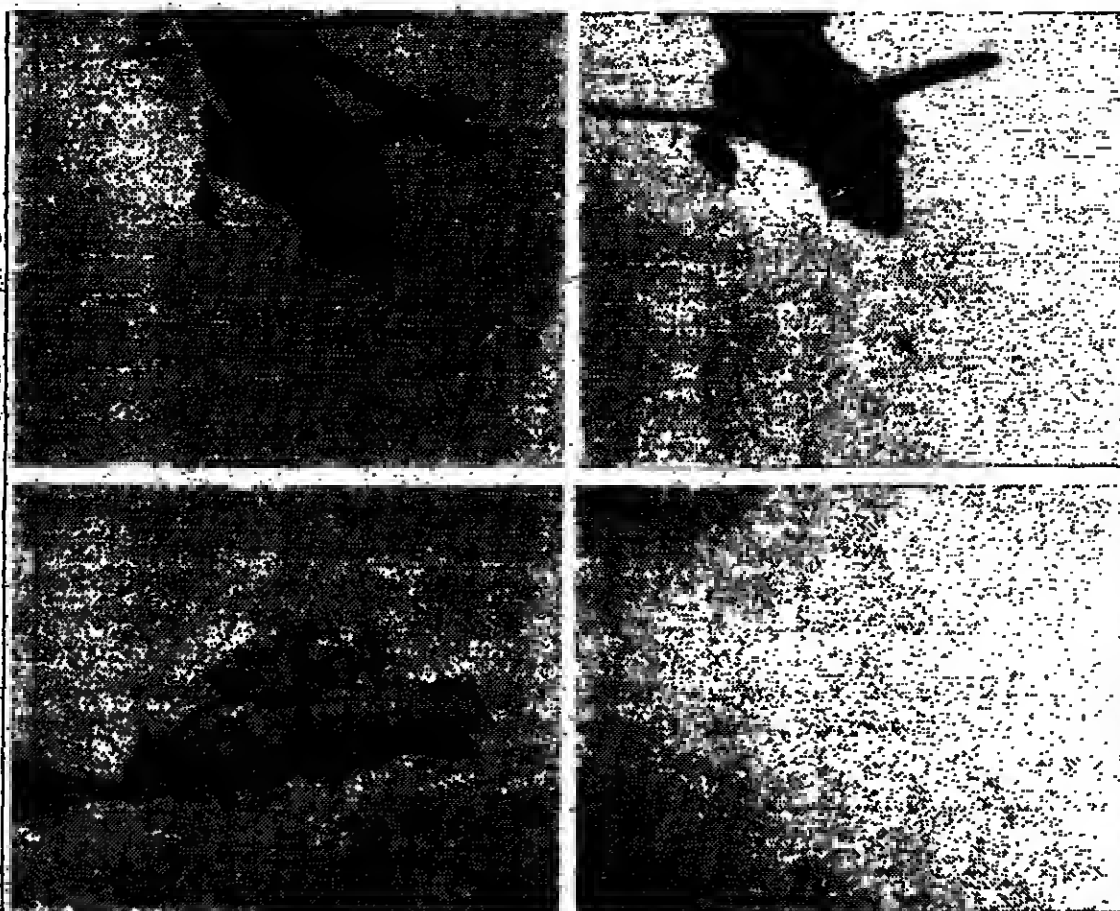
The communiqué referred to recent visits to the embassy by the mothers and wives of American pilots held prisoner in North Vietnam or listed as missing, and visits also by American congressmen.

The communiqué appeared to reflect North Vietnam's awareness of the pressure of American public opinion on North Vietnam over the prisoner issue.

The communiqué repeated previous North Vietnamese denunciations of the publicity accorded some of the visits and charged once again that the Nixon administration had "organized" some of them.

Referring to the question of those listed as missing by the United States, the last paragraph of the communiqué declared that "the Nixon administration must bear the full responsibility toward their families." This is a statement that is considered the closest North Vietnam has so far come to acknowledging that it bears a responsibility toward those it admits it holds as prisoners.

North Vietnam is reported to have acknowledged the names of 334 American prisoners. The American government contends that 976 Americans are prisoners in North Vietnam.



WIRE-GUIDED MISSILE—A U.S. Army Cheyenne helicopter fires the first live tow missile ever launched from an aircraft (upper left) during tests near Yuma, Ariz. The tube-launched, optically tracked, wire-guided missile is designed to destroy tanks as it does in a flash of flame at lower right. The missile is directed by leash of wire.

Senate Votes To Enforce Warranties

WASHINGTON, July 2 (AP)—The Senate approved a consumer protection bill today that for the first time would require any manufacturer who labeled his product with a "full warranty" to stand behind it 100 percent.

The measure, sent to the House by voice vote, would be limited to products costing more than \$5. But it would cover virtually all products "normally used for personal, family or household purposes" over that amount including mechanical products, paint, bedding, clothes and furniture.

The Senate rejected attempts by Sen. Norris Cotton, R., N. H., and Sen. Howard Baker, R., Tenn., to narrow the scope of the bill to mechanical products and exempt items costing less than \$25.

"This is not a good bill," said Sen. Cotton, ranking Republican on the sponsoring Senate Commerce Committee. "It simply will put an end to all warranties."

But its chief sponsor, Sen. Frank Moss, D., Utah, said the legislation "will create incentives for building more reliable products."

The bill would not require guarantees or warranties on anything. But if a manufacturer used the term "full warranty" he would be required by law to back it up.

Under the bill, the attorney general would be empowered to enjoin any manufacturer using a deceptive warranty and would allow a consumer to sue for a breach of warranty and collect costs and reasonable attorney's fees if successful.

Senator Asks Equal TV Time With Nixon

WASHINGTON, July 2 (AP)—Sen. George S. McGovern yesterday demanded that the three major U.S. television-radio networks give him and Sen. Mark O. Hatfield, R., Ore., equal time to answer President Nixon's criticism of their proposal to end U.S. actions in Southeast Asia.

"The President clearly does not understand either the constitutional role of the Congress or the specific provisions of the McGovern-Hatfield amendment for ending the war," the South Dakota Democrat said in a statement issued after Mr. Nixon's hour-long interview on television and radio.

The McGovern-Hatfield amendment, scheduled for consideration when the Senate debates military procurement authorization legislation, probably in late July, would bar all funds for any U.S. forces in Vietnam, Laos and Cambodia after next June 30.

U.S. Draft's Numbers Game May Be Less Far-Reaching in '71

WASHINGTON, July 2 (UPI)—Barring a major international emergency, it is probable that draft boards won't have to go beyond calling No. 150 in meeting next year's quotas.

There's a good chance the cutoff point will be in the neighborhood of 150.

Draft Director Curtis W. Tarr announced today a top limit of No. 195 for draft calls in August and said numbers called for the rest of the year probably would not mount much beyond that level, the Associated Press reported.

Estimates for 1971 are based on the best projections now available from the Defense Department and Selective Service System headquarters on manpower requirements and the size of the draft pool.

The estimates are lffy for two reasons:
• The Defense Department doesn't know yet exactly how many men it will need in 1971.
• No one knows yet whether Congress, acting next year on legislation to extend the draft law, will continue or terminate deferments for college students.

The Pentagon's present estimate is that its total requirements for manpower—by voluntary enlistment and by induction—will be in the vicinity of 450,000 to 500,000 men in 1971. Last January, it said it would probably need 550,000 draftees this year, but this week it lowered that total to 170,000.

Assuming that educational deferments are extended and the manpower requirement is 500,000, draft boards will have to tap men with callup numbers in the range of 185 to 190.

But if deferments are abolished and the manpower requirement is only 450,000, the cutoff point may drop to around 150.

U.S. Unemployment Declines—But Only Among Women

(Continued from Page 1)
Workers rose 1 cent in June to \$3.21 hourly average. But over the year the rise in hourly earnings of 17 cents, or 5.6 percent, was the smallest in two and a half years.

Mr. Goldstein said this could be accounted for largely by lower employment in high-wage industries and less overtime, reflected in the hourly average.

Weekly earnings increased even less over the year because of a drop in the work week—44.83 or 4.2 percent. Since consumer prices are going up at an annual rate of 6 percent, the purchasing power of wages has actually declined 1.8 percent in the last 12 months on the basis of May figures.

The June figures are usually very sharply adjusted to account for strikes in the labor force at the close of the school year, but the rise this June was 200,000 smaller than usual. The actual number of unemployed rose from 3.38 million to 4.47 million.

Mr. Goldstein noted that the June survey had been taken earlier than usual, in the week starting June 9, which probably distorted the seasonally-adjusted results. Earnings of the more than 50 million non-farm private payroll

workers rose 1 cent in June to \$3.21 hourly average. But over the year the rise in hourly earnings of 17 cents, or 5.6 percent, was the smallest in two and a half years.

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McCormack Testifies in Trial of Aide

Denies Awareness Of Influence Peddling

NEW YORK, July 2 (AP)—Gaunt and pale, House Speaker John W. McCormack testified in federal court today that he never was aware that his Washington office was used as a base for influence peddling by his chief aide of years.

"Did it come to your attention that someone might be placing calls using your name?" Mr. McCormack was asked on the witness stand.

"No," replied the 73-year-old Massachusetts Democrat, who is retiring at the end of the year after 42 years in Congress.

U.S. Attorney Whitney North Seymour Jr. conducted the direct examination, making his first trial appearance since he took over the office in mid-January.

Mr. McCormack was the final government witness in the conspiracy and perjury case against the Speaker's suspended chief administrative assistant, Martin Swig, 48. Mr. Swig is accused of acting with lobbyist Nathan Voloshen on behalf of a variety of favor seekers willing to pay for the use of Mr. McCormack's name and prestige.

Voloshen, 70, has pleaded guilty to using the Speaker's office to defraud the government and to lying about the activity to a federal grand jury.

Mr. McCormack said he never knew Voloshen was making extensive use of his office. As for Mr. Swig, he loaded him as a tireless, devoted and efficient aide, bound by office rules not to go over the Speaker's head in intervening with government agencies.

"Matter of Courtesy"
As for making appointments with government agencies for constituents, Mr. McCormack testified: "I've done it. I've done it for people. I don't know, as a matter of courtesy. My office had the implied authority, if not the expressed authority to do so."

As for himself, Mr. McCormack said he personally intervened in some cases.

"If I felt that an agency was wrong," he said, "I just couldn't accept that in an academic way. If I felt strongly I would express my opinion."

Mr. Seymour asked if a McCormack staff member had the right to intervene in an agency matter without consulting him and use the statement: "The Speaker has an interest in the company."

"I have no special interest in anything," Mr. McCormack answered.

Mr. Seymour began reviewing testimony by earlier witnesses that they received calls on behalf of various interests by someone representing himself over the telephone as Mr. McCormack. In one case, the call was on behalf of Edward Gilbert, a New York financier who fled to Brazil in 1962 but returned later to plead guilty in a multi-million-dollar stock swindle.

In each case, the Speaker denied that he had placed the calls. He added that office policy barred any member of the staff from representing himself over the telephone as the Speaker.

Mr. McCormack said he had no knowledge of the efforts of the Farvin-Dohrmann Co. last year to have the Securities and Exchange Commission lift a ban on trade in the firm's stock. Voloshen received \$50,000 from the company for interceding in the matter.

Mr. Seymour also asked about testimony that Mr. McCormack's office interceded on behalf of Salvatore (Sally Burns) Granello, a reputed Cosa Nostra figure, who was seeking to head off a transfer while in federal prison on tax evasion charges.

"I know nothing about the case," Mr. McCormack said. But he added that such matters could fall within the "renewal purview" of his staff.

Court Blocks Ouster Of Manson's Lawyer
LOS ANGELES, July 2 (UPI)—A bid by prosecutors in the Tate murder trial to oust cult leader Charles Manson's attorney from the case on grounds of incompetency was turned down yesterday by the California Supreme Court.

In a related matter, lawyers for Manson, 35, and three women defendants, Susan Atkins, 21, Patricia Krenwinkel, 22, and Leslie Van Houten, 19, unsuccessfully argued for a mistrial because of the attempted dismissal.

When the Left Hand Doesn't Know What the Right Hand Is Doing

WASHINGTON, July 2 (AP)—Neil A. Armstrong, first man to step on the moon, started to take an oath of office today with his wrong hand on the Bible—but it wasn't his fault.

Nevertheless he blushed and became just a bit nervous as Thomas O. Paine, administrator of the National Aeronautics and Space Administration, swore him in as NASA's deputy associate administrator for aeronautics.

"Put your right hand on the Bible," Mr. Paine said at a ceremony witnessed by more than 100 NASA officials, friends and fellow former astronaut William Anders.

Mr. Armstrong obeyed, and at the same time raised his left hand.

Mr. Paine did a double take. "I mean, raise your right hand," Mr. Paine said.

The audience laughed when Mr. Paine added that the raising in oath of the left hand would have been the practice of a former administration.

He didn't say which one.

Skylab, Poor Kin of Apollo, Is Due to Orbit Late in 1972

By John Noble Wilford

HUNTSVILLE, Ala., July 2.—After years as Apollo's poor relation, an old project with the new name of Skylab has taken from it a slightly modified moonlight hand-me-down and come up with a roomy orbiting workshop that is expected to catapult the United States into an era of space voyages lasting months and even years.

A "bridge to the future" was the way space-agency officials characterized the \$2 billion Skylab during two days of briefings for newsmen at the Marshall Space Flight Center here.

The "bridge" is scheduled to be ready by late 1972. It will be a giant earth-orbiting laboratory that three crews of astronauts would inhabit over a period of eight months.

Plans of the National Aeronautics and Space Administration involving the Skylab project include massive space stations that would orbit the earth for ten years and manned missions to Mars that would take two or three years.

Director Confident
William O. Schneider, the Skylab program director, said the project is now "in the very critical phase of firming up our designs." He believes the 1972 launching date can be met.

Until six months ago Skylab went by the more prosaic name of the Apollo Applications Program; most of its components are modified rockets and spacecraft from the moon-landing project. The work-

shop is being built out of an empty third stage of the Saturn-5 rocket, and astronauts will ferry to and from it in a slightly modified Apollo command and service module.

In Skylab, teams of astronauts—three men at a time—will live and work in space for periods of up to 56 days. It will be the most elaborate American effort to gather biomedical data on the effects of long-term weightlessness on the human body.

"We're not going to get very far in space without certifying man for longer durations," said Walter Cunningham, an astronaut who has worked on the project since his Apollo-7 flight in 1968 and is likely to head one of the first Skylab crews.

Skylab should also see the first extensive use of scientist-astronauts, Mr. Cunningham said at the briefing.

Mr. Schneider said that the primary emphasis of the first mission, in which three men are to live in the workshop for 28 days, will be a study of the physiological and psychological aspects of space flight.

Brussels Gets 74Ts
BRUSSELS, July 2 (Reuters)—A Pan American Airlines Boeing 747 jumbo jet touched down at Brussels airport today, inaugurating a daily flight service between New York and the Belgian capital.

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In 87 lands

LOS ANGELES, July 2 (UPI)—A bid by prosecutors in the Tate murder trial to oust cult leader Charles Manson's attorney from the case on grounds of incompetency was turned down yesterday by the California Supreme Court.

In a related matter, lawyers for Manson, 35, and three women defendants, Susan Atkins, 21, Patricia Krenwinkel, 22, and Leslie Van Houten, 19, unsuccessfully argued for a mistrial because of the attempted dismissal.

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New Man for Paris

If the lack of a top-level American negotiator was really an obstacle to progress in the Paris talks, President Nixon has removed it by the appointment of David K. E. Bruce, Mr. Bruce—a former ambassador to Bonn, Paris and London—has, in a diversified career, accumulated experience and won confidence on a scale that few American diplomats have ever matched. He is an excellent choice for a difficult task.

However, it is still open to question whether the prestige of the negotiator was a real, or only a pretended, consideration with the other side. Averell Harriman had an even greater personal reputation in diplomacy than Mr. Bruce; if he made any advances toward a settlement, they are not discernible. To be sure, Mr. Nixon has followed up President Johnson's limitation of bombing by the actual withdrawal of American ground forces, but the only response from the North Vietnamese and the Viet Cong has been dark muttering about "traps" and "insincerity." And Cambodia has raised another complication.

Mr. Nixon was confident, in his discussion

with television commentators Wednesday evening, that the Cambodian venture had paid off; that it would make further American withdrawal easier and that even the present Cambodian government had benefited. But the Senate did not seem to agree—at least, not to the extent of leaving the way open for a renewal of the Cambodian incursions with its approval. And there is no evidence that Hanoi is reconciled to anything short of its original conditions: complete withdrawal of U.S. forces and a new government in Saigon.

The appointment of Mr. Bruce, therefore, has not been accompanied by any change in the apparent situation in Paris. The real test for him could not be expected immediately—certainly not before his arrival on the scene. Then it may be known whether the strains of the battles in Indochina will induce Hanoi to seek something short of its previous terms, and open the way for wider and more meaningful discussions of a problem that is not an American one alone: namely, whether the costs of the conflict outweigh its possible advantages.

Arms for the Colonels

President Nixon will make a mistake if he interprets the Senate's narrow rejection of an arms embargo against Greece as a signal for full-scale resumption of military aid to the Athens junta. Some senators probably voted against Sen. Hartke's ban on arms sales only because they were unwilling to tie the President's hands on a security matter, not because they wanted to help entrench the Papadopoulos regime.

A case of sorts can be made for resuming the shipment of major military items to Greece, but unfortunately the administration never puts it candidly. It has nothing to do with any value for NATO of the Greek armed forces, purged long ago for political reasons of nearly all their experienced officers.

The case is simply that this military hardware for the colonels may help preserve for the United States Navy and Air Force facilities in Greece needed to cope with an expanded Soviet presence in the eastern Mediterranean.

Even this case is questionable, however, for it presumes that the colonels will remain in power. Although they have survived three years, Col. Papadopoulos and his

henchmen are not yet secure enough even to lift the state of siege and put their own authoritarian constitution fully into effect. Appealing the colonels with military hardware now may actually imperil the future use of those air and naval facilities under a successor government.

Another serious aspect of continued appeasement is that it pits the United States against a rising tide of hostility to the Athens regime in Western Europe. Greece quit the Council of Europe to avoid expulsion. A European commission found the junta guilty of flagrant violations of the European Convention on Human Rights. The European Economic Community is reconsidering customs and tariff concessions granted to Greece "because of the repeated offenses against human and civic rights."

In its own interest the United States cannot ignore these expressions of outrage by its European friends and allies. The administration must weigh them carefully against the presumed short-run advantages of large-scale military aid for the colonels and an eight-vote "victory" in the Senate against an arms embargo.

THE NEW YORK TIMES.

International Opinion

Britain and the Six

The Six did not expect a long and brilliant exposé of the reasons for Britain's new application to join, nor a plea that we should be admitted. That stage has been passed. There is now complete agreement in Europe that the Common Market should be enlarged and great optimism that it will be.

The assembled foreign ministers also know that Mr. Barber, like Mr. Heath between 1961 and 1963, will constantly have to squint back over his shoulder to see how the Conservative party, the Labor party and the country at large are reacting to the development of the negotiations.

—From the Times (London).

France's New Face

The long years of personality-type government of Gen. de Gaulle destroyed the historical parties and left French political life dangerously polarized between the heirs of the deposed leader and the Communists.

It is important for the well-being of the French political field, that a new force should sprout to establish a balance between the two extremes. The efforts to give life to a moderate Christian group around the young and attractive personality of Lecanuet failed to develop.

To build something of that sort is a gigantic task, but Servan-Schreiber, with great enthusiasm and optimism, has started the job.

—From El Mercurio (Santiago, Chile).

Arms for South Africa

The decision to sell arms to South Africa is not simply a matter of honoring the Simonstown agreement or of extending the existing pattern of trade. It is an abrupt change of foreign policy.

If Sir Alec sells arms to the white minority government in Pretoria he will contravene a UN Security Council resolution. He will offend the black majority throughout Africa, he will alienate neutral European

countries and he will strain to breaking point the loyalty of the Commonwealth. The Commonwealth prime ministers may or may not forgive the British government for this.

—From the Guardian (London).

Cambodian Balance Sheet

That all this holocaust was let loose must of course be blamed on the foolish timing of the Cambodian coup which overthrew Prince Sihanouk last March.

There is no cause to question President Nixon's surprise at what happened then or his assertion that in the American view a neutral Cambodia outweighed the benefit of a move against the base areas. At the same time it now seems plain that the American and South Vietnamese incursion into Cambodia has sundered the country politically, and at the price of a limited military gain may expect to run up a heavy political loss.

This was the criticism made of President Johnson's decisions in the Vietnam war. Just as he separated himself from some of his political advisers, so President Nixon's administration seems to present a much more ragged front on the war than when it first set itself the task of winning the peace.

—From the Times (London).

Much more of Cambodia is in the hands of the Communist North Vietnamese than before the invasion. America is still committed to infinite bombing raids to check the flow of men and weapons through Cambodia to the Vietnam war front. At home in the United States the war issue divides the nation more bitterly than ever.

And now the President says that a military solution to the Vietnam war is impossible and that there must be a negotiated peace. How right he is—if only the Communists would show any sign that they are willing to play.

But this was just as true before the Cambodian adventure began. So what has Mr. Nixon achieved?

—From the Daily Mirror (London).

In the International Edition

Seventy-Five Years Ago

July 3, 1895

BERLIN—Prince Bismarck is seriously ill. Besides the physical weakness caused by the facial pains from which he has long suffered, the Prince is a prey to moral depression which verges on apathy. For five days he has taken only liquid nourishments, but he refuses to take to his bed, on the pretext that his physician told him that when he once did so he would never get up again.

Fifty Years Ago

July 3, 1920

SAN FRANCISCO—Mr. William Jennings Bryan, in one of his old-time speeches last night, supporting the "home dry" plank, turned the Democratic convention almost upside down with his magnetism. The force of his oratory started one of the noisiest demonstrations the convention has yet seen. It was purely a personal tribute to Bryan's eloquence, however, since when it came time to vote on the Commemorative day plank it was knocked under, 528 1/2 to 155 1/2.



'OK, Suppose We Got Them to Stop Shooting and Sit Down Together—Now, Give Us Phase Two of Your Plan...'

The Deluge and the Whirlpool

By Joseph Kraft

WASHINGTON—There was a large, historic case to be made for the Cambodian operation. But President Nixon chose instead to enter a highly defensive personal plea for self-vindication.

His written report on Cambodia thus confirms the impression of a weak President, singularly ill-equipped to resist the tremendous pressures that keep dragging this country deeper and deeper into Southeast Asia.

The historic case for the Cambodian operation rests on the extraordinary role played by the former ruler in Phnom Penh. Prince Norodom Sihanouk was the centerpiece of an infinitely tangled diplomatic system. He balanced North Vietnam against South Vietnam, China against North Vietnam, Russia against China, the United States against Russia.

When the prince was unseated on March 18 this system collapsed. It was a case of, "After me the deluge." In these chaotic circumstances it made sense for this country to take the military gains that were available through assault on the enemy sanctuaries in Cambodia, and the military results—which are certainly not bad—can be said to clinch the case.

To the Beginning

But Mr. Nixon apparently felt the need to do more than justify the Cambodian operations. He felt the need to vindicate himself and every aspect of his original decision. So for that purpose he went back to the beginning, and made a case based on benign American actions folled by the dirty, rotten Communists.

The President's case begins with the ouster of Sihanouk on March 18. The United States, he claims, felt at that time that "a neutral Cambodia outweighed the military benefits" of a move against the

Communist sanctuaries. So "we made clear through many channels that we had no intention of exploiting the Cambodian upheaval for our own ends."

That effort, however, ran "afoul of Hanoi's designs." As the President tells it, the Communists first broke off negotiations with the new government in Cambodia, then launched assaults on Cambodian troops, then moved to strike "deep in Cambodia." His report says: "It was the major expansion of enemy activity in Cambodia that caused allied troops to end five years of restraint and attack the Communist base areas."

In fact, as Mr. Nixon and his advisers know very well, the picture was nothing like that one-sided. Just before unseating Sihanouk, the present Cambodian regime inspired demonstrations against North Vietnamese and Viet Cong diplomatic installations in Phnom Penh. It followed up with an ultimatum that the North Vietnamese and Viet Cong troops had to leave Cambodia within 72 hours. It cut enemy supply lines. But though these acts were clearly prejudicial to the other side, the United States immediately embraced the new regime in Phnom Penh as "neutral."

Moreover, border action against the Communist troops in the sanctuaries began as early as mid-March. A study by two members of the Senate Foreign Relations Committee—James Lowenstein and Richard Moose—shows South Vietnamese military strikes at the Communist troops in Cambodia beginning on March 15 and continuing through assaults on March 17, March 27, April 14 and April 20 until the big push of April 30. Thus the steps Mr. Nixon describes as provocations by the other side could well have been moves taken to protect their own position.

I opposed the establishment of the state of Israel, but now that it has been established, I believe its destruction would be one of the great tragedies of history. The United Nations created the state of Israel. The United States, Great Britain, France and Russia voted in its being. Their moral obligation and commitment to defend it are engraved in the history of international relations.

The crisis deepens and the time is short, and we must choose which area is more important to us.

The point, of course, is not that one side or the other is to blame. On the contrary, the point is that the history of what happened is murky beyond the capacity of either side to prove a clear case. And the serious question is why the President should choose to rest his argument on such a dubious record.

The answer, I think, is that Mr. Nixon is trying to prove a point about himself. He is trying to show that he is a tough guy, a fellow who can't be humiliated, a leader who won't stand for being pushed around, a giant who is not "pitiful" and "helpless."

Just why he feels obliged to make this point is not so clear. Perhaps it is a matter of unavowed self-doubt. What is clear is that a leader determined to show his toughness is a born victim of circumstance in Southeast Asia.

He has no defense against the tremendously powerful forces that sucked three successive U.S. Presidents into the Vietnamese war. He is an easy mark for the many statesmen and soldiers—American and native—who keep telling him that the other side will fold or come to terms if only he shows a little valor. And that is why even now there is reason to fear that American commitments are still creeping upward in Southeast Asia.

Peace Priorities

The United States must soon make a decision: Which is more important for the security of our country and the peace of the world, Southeast Asia or the Middle East? In my humble judgment, there is only one choice: Peace in the Middle East is vital to the security of our country and the peace of the world.

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MORRIS S. LAZARON, Lausanne.

Taxing Americans

Senator Gore's efforts to increase income taxes on some Americans working abroad overlooks: 1. The resultant increase in the cost of doing business abroad as the extra personal tax will be passed on to the employees; 2. The U.S.A.'s extremely critical and growing need for greater efforts to increase exports as the Senate neglects labor legislation necessary to slow down the cost-push inflation machine.

3. The absence of similar taxation by other countries on their nationals working abroad; 4. The economic forces which will cause Americans working for private enterprises abroad to be replaced by other nationals, which will reduce our representation abroad and flood the American market with more job seekers; 5. The frequent absence of adequate services abroad like police, schools and hospitals which might justify a higher tax burden; and 6. The violation of the constitutional philosophy that prohibits taxation without representation.

M.J. HINKER, Monrovia, Liberia.

Polls and Democracy

I think James Reston's view that "the more the pollsters, the less the democratic process" is likely to succeed" (NYT, June 27-28) needs a serious qualification.

The essence of democracy, after all, is the self-government of the people, whose administration is but the servant. If through some highly refined and reliable way of polling the opinion of the majority on every problem could be rapidly known, it is true, as Reston says, that governments would be relieved of the job of governing, but it would be for the benefit of the people, whose decisions would be immediately known and put into action.

If the results were somewhat erratic, this would raise doubts about the very principle of democracy, not of polling. Some may think democracy is a workable form of

Foreign Affairs

Computer and Abacus

By C. L. Sulzberger

LONDON—One who has completed a lengthy trip through four republics and three autonomous sub-republics of the Soviet Union feels entitled to reward George Bernard Shaw: "I have seen the future and it works—the hardest possible way."

The system evolved over 53 arduous years during which the revolution has been institutionalized into frozen custom has made the U.S.S.R. into one of the world's two superpowers—although it is arguable that Russia might have gotten there anyway because its people possess enormous qualities. But the formula is expensive, inefficient, top-heavy with bureaucracy and able to function because of the talent, durability and patience of a large population occupying a large land. It accepts myths, unpersons, non-events, Farin's law and the Peter Principle.

Despite Ideology

It seems to me the Russians have risen to eminence despite rather than because of ideology. The substitution of a Bolshevik hagiography for the old-time religion isn't the answer. The answer is simply selection of priorities for a nation which doesn't want to converge with our own increasingly vague ideology. But we are nowhere near that moment yet.

This method wouldn't succeed in the United States and, in a generation, might not succeed in Russia. But it does function there now and probably has more chance in underdeveloped areas of the world than the wasteful luxury of capitalism.

The more bourgeois the U.S.S.R. becomes—and it is now lumbering in that direction—the more its increasingly vague ideology is likely to converge with our own increasingly vague ideology. But we are nowhere near that moment yet.

Moreover, Moscow probably has justified confidence that its inherently inefficient but directed society is better suited to backward countries than ours. Communism, in its abstract and platonic aspirations, is designed for angels, not men. But Soviet socialism adjusts comparatively well to underdeveloped lands that have not yet reached the stage Russia itself is bound to reach—where competition and freedom of choice provide needed motivation.

The U.S.S.R. operates today on the basis of twin economies, one linked to computers and producing space miracles and the other linked

to the old-fashioned abacus and bumbling along. It is impossible to ascertain the proportionate fraction of financial or human investment in either compartment. Perhaps 5 percent of technological genius and quadruple the capital investment go into superpower modernity while the great bulk staggers behind.

Scientists Handicapped

The communists are tied to the computer aspect while housing, agriculture and ground transportation are bound by umbilical cord to the abacus. Soviet scientists, the equal of any nation's, are kept from infecting the mass population or being infected by the latter's intellectual through isolation in intellectual communities like Dubno and Avdeyevsk.

But, unfair as this application of priorities is, it works. It also manages to avoid some problems of the West symbolized by a feeling of rejection among youth. Artificial discipline and practices have not produced an unhealthy society.

Nevertheless, absence of human incentive and dependence upon total bureaucracy encourage a mass resembling sheep in sheep's clothing and pushed around by arrogant functionaries. If the system works, it works the difficult way, and only because the majority of the nation is hardy, forbearing and also gifted.

Each time I visit the U.S.S.R. I am depressed by the stifling bureaucratic web which perhaps only the Russians could surmount. Laziness and incompetence are fostered. Things are so slowed up that one feels as if he is moving underwater.

The iconography of Lenin and the ideology of proletarianism are probably no longer convincing to the new Soviet generation. Nevertheless, Moscow may well be right in believing many other countries will have to experience a similar social development—at least before they are ready for the maturity true freedom requires. Moreover, if Russia has its economic gap between computer and abacus, we have our own generation gap.

I personally suspect that neither the abstract called Communism nor the abstract called capitalism really exists any more and competition for a positive reaction is forthcoming from the West? In 1957-58 Harry Gold alerted the world to the growing atrocities of Hitler. Mr. Alsop is now doing the same. Surely now is the time to avert an imminent catastrophe?

S. YACH

Agnew, Law and Order

Naughty Mr. Agnew. Doesn't he know that if he calls a spade a spade he might hurt someone's feelings? Our country should be divided sharply between those in favor of law and order and those who are not. If the majority do not want law and order we could save a hell of a lot of money by abolishing all law-enforcing agencies, courts, jails, turn the money over to the Mafia or give it back to the Indians. If our democratic government cannot withstand the strain of such a division it is not worthy of perpetuation.

GARDNER SMITH

Alsop's Alarm

Joseph Alsop has highlighted the increasing seriousness of the Soviet presence in the Middle East. How many reminders do we require before a positive reaction is forthcoming from the West? In 1957-58 Harry Gold alerted the world to the growing atrocities of Hitler. Mr. Alsop is now doing the same. Surely now is the time to avert an imminent catastrophe?

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GARDNER SMITH

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Bonn Denies Plans to Make Concessions on Berlin Status

By Joe Alex Morris

BOON, July 2.—The West German government denied today that it was prepared to make far-reaching concessions to Soviet demands that West Berlin be recognized as a political entity separate from West Germany.

A senior government spokesman dismissed as "pure speculation" published reports that Bonn and the three Western allies had informed the Soviet Union that they were willing to give up elements of the West German political presence in the divided city in return for Soviet measures easing the status of the city. These reports said that the Western side was ready to give up sessions of the Bonn parliament in West Berlin and also the exercise of presidential duties there.

A spokesman here said that the

four-power Berlin talks had not reached the stage of practical proposals. It is known, however, that the Russians have been pressing the Western allies—the United States, Britain and France—on the subject of the West German political presence in West Berlin.

Russian Demands

Authoritative diplomatic sources report that the Russians have demanded a sharp reduction of the 10,000-man federal bureaucracy in West Berlin. They have also suggested that official visits to West Berlin by Federal President Gustav Heinemann and Chancellor Willy Brandt be contrary to the Western allies' own position that Berlin is under four-power control and not a political unit of the Federal Republic.

West Germany contests this, although West Berlin deputies have no right to vote in the West German parliament. Similarly, major parliamentary events have not taken place in the city since 1968, when Soviet jets buzzed the Western sector to protest a parliamentary session.

President Heinemann was elected in Berlin last year. But there were sharp Soviet protests and a mini-blockade by the East Germans.

Envoy Stresses Ties

U.S. Ambassador Kenneth Rush, in a speech in West Berlin last night, stressed the city's economic and financial ties to West Germany. He said that "our ultimate political responsibility, of course, continues," even though Bonn has assumed what he called "basic responsibility" in the economic field.

Allied diplomatic sources in Bonn have indicated that the Western big three and the West Germans would be prepared to consider reducing the federal political presence in West Berlin even further, but only if there were real measures insuring the lifelines of the isolated city. The largely symbolic "presence" of the federal president and chancellor there would not be abandoned, these sources said. But, like the gradual reduction of federal parliamentary activities, they could be reduced.

© Los Angeles Times

Computer Lacks Sense of Humor, Even on Moon

NEW YORK, July 2 (UPI).—The National Aeronautics and Space Administration has refused to pay a computerized hotel bill for five men who stayed for nine days at the Sea of Tranquility Hotel on the moon last April.

NASA returned the bill to Reservations World, a computer center for travel reservations, with the notation: "The above are not employees—and even if they were, we have no authority to pay their personal lodging bills."

Reservations World today traced the billing to a training program last spring during which an imaginative instructor programmed data on a mythical moon hotel where charges of \$43.80 were run up by five travelers named W. Sliver, D. Austeri, E. Fudd, G. I. Miguel, and U.S. Mule. Their address was recorded as NASA headquarters in Houston.

Unknown to anyone at Reservations World the computer completed its job, sending two invoices sometime after the training session was over.

NAACP Reaffirms Bias Charge on Nixon's Policies

CINCINNATI, July 2 (UPI).—The NAACP refused yesterday to back down on its charge that the Nixon administration is anti-Negro. In a long telegram to the White House, Bishop Stephen G. Spottswood, chairman of the NAACP board, said he believed the charge is "sustained by the record."

It was Bishop Spottswood who made the charge Monday during his keynote address to the NAACP convention here. Bishop Spottswood's charge, the toughest anti-Negro charge by the NAACP, was widely cheered by 2,000 convention delegates.

But Tuesday, the administration replied through Leonard Garment, the President's chief liaison with civil rights groups. He termed the NAACP charge unfair and disheartening and said that it paints a false picture, rallies every fear, reinforces every anxiety and makes a just society more difficult to achieve.

In his reply Bishop Spottswood said that "our criticism may have been uncomfortable but we deny that it has been divisive."

Truce Observer Slain On Honduras Border

WASHINGTON, July 2 (Reuters).—A Nicaraguan truce observer was shot dead yesterday along the troubled border between Honduras and El Salvador, officials of the Organization of American States revealed here.

The man, shot in the border town of Rincon, El Salvador, was named as Capt. Ramiro Gonzalez of the Nicaraguan Army.



HIJACKERS' GROUNDED—Airport police in Rio de Janeiro launch a tear-gas attack to prevent a Brazilian Cruzeiro do Sul airliner from being hijacked to Cuba.

Red China Said to Approve New Envoy From Moscow

By James F. Clarity

MOSCOW, July 2 (UPI).—Diplomatic sources said today that Communist China has agreed to accept a new Soviet ambassador in Peking.

Soviet and Western sources said the ambassador would be Vladimir I. Stepanov, a 58-year-old veteran Communist party ideologist. The reports of his acceptance could not be confirmed with Chinese officials here.

Western diplomats said Chinese acceptance of a new Soviet ambassador would indicate a significant improvement in relations between the two countries. The reported acceptance, and other recent developments in Peking-Moscow relations,

Pope Sees Heads Of Movements Against Portugal

VATICAN CITY, July 2 (UPI).—Pope Paul VI has received in audience three leaders of African nationalist movements fighting against Portugal, the Vatican press spokesman said today.

The spokesman, Msgr. Fausto Vallina, said that the audience yesterday lasted only seven or eight minutes and was one of many granted after each of the weekly general audiences of the pope.

Msgr. Vallina made the comment after several Italian newspapers reported the pope's meeting with Amilcar Cabral, Augustinho Neto and Marcelino dos Santos. The three nationalist leaders attended a Rome conference last weekend of organizations fighting for independence of Portugal's African territories of Angola, Mozambique and Portuguese Guinea.

Kemper Simpson, New Deal Aide, Is Dead at 77

WASHINGTON, July 2 (UPI).—Dr. Kemper Simpson, 77, a Johns Hopkins economist who came to Washington to help engineer the New Deal and subsequently served in a variety of government and private positions, died here Monday of a heart attack.

One of the band of young men who were gathered into Franklin Roosevelt's "Brain Trust," Dr. Simpson helped to draft the Securities Exchange Act, which set up the Securities and Exchange Commission to regulate the stock market. He then became the first economist on the staff of the commission, where he continued as an economic adviser until 1937.

Born in Chattanooga, Dr. Simpson was educated at Johns Hopkins. He came to Washington with the Federal Trade Commission in 1932 and it was his work there that attracted the attention of New Deal activists.

Dr. Simpson was the author of six economic texts. According to his friends, however, he took greatest pride in his last book, written entirely in blank verse, "Uncommon Man." It is a comparative biography of Leonardo da Vinci, Michelangelo, Christopher Marlowe and others.

German Vessel Seized by U.S.

BOSTON, July 2 (AP).—The U.S. Coast Guard today seized the West German fishing vessel Conrad, saying its crew had been fishing eight and two-thirds miles off Race Point on Cape Cod, well within the United States' 12-mile protected region. The Coast Guard said two other boats with the Conrad left the area.

The Coast Guard's search and rescue center in Boston reported the master of the German vessel had been taken aboard the Vigilant, one of two cutters escorting the Conrad to Boston.

Czech Envoy Granted Asylum in Denmark

COPENHAGEN, July 2 (AP).—The Danish government today granted political asylum to Anton Vasek, Czechoslovakian Ambassador to Denmark until he defected in the face of a recall to Prague ten days ago.

A Ministry of Justice announcement said asylum was also granted to Mr. Vasek's wife and two adult daughters. The decision ignored diplomatic pressure by the Czechoslovakian government.

Four Face Military Trial In Hijacking

RIO DE JANEIRO, July 2 (Reuters).—Four terrorists who tried to hijack a Brazilian airliner here yesterday but were captured after the plane was stormed by troops, will face trial by military court and maximum penalties of 12 to 30 years imprisonment.

It was revealed today that the hijackers—three men and one woman, who carried their weapons aboard the plane in padding that made the woman look pregnant—had demanded the release of 40 prisoners in Brazilian jails for the safety of the 34 passengers and crew of seven.

The government, which surrendered to a similar demand last month and released 40 political prisoners for the safe return of West German Ambassador Ehrenfried von Holleben, decided to draw the line yesterday and to use force to defeat the hijackers.

When the troops stormed the plane on the tarmac at Galeao International Airport, one of the hijackers shot himself in the head. He was reported in a serious condition today.

The woman among the hijackers, Mrs. Jessie Jane, the wife of an exiled terrorist, required five stitches in cuts on her neck. She was stripped during the struggle and was given a blanket to cover herself.

The plane, a Caravelle of the Brazilian airline Cruzeiro do Sul, left here on a flight to Sao Paulo and Buenos Aires. It was hijacked soon after takeoff and was ordered to return to Rio.

On its return, the hijackers told authorities they would find a letter in the post office, which in addition to the demands for the release of 40 prisoners said the airport should be evacuated, no one should approach the plane, and that the letter be read over nationwide radio.

The government refused, and after several hours of negotiations, air force troops pumped tear gas into the plane through the air conditioning system, let off smoke bombs, sprayed it with water and dust, and forced their way in through an emergency exit in the roof.

Within minutes they had captured the guerrillas and released the passengers. The pilot, Capt. Edo Cyranek, was wounded in the leg. Others suffered minor injuries, many in jumping from the plane.

Hijacked Jet Returns

MIAMI, July 2 (AP).—An American jetliner returned to the United States last night after spending nearly ten hours in Havana.

The National Airlines jet, diverted to Cuba during a San Francisco-Miami flight, landed in Miami at 9:32 p.m.

Passengers who returned said Cuban guards subdued and handcuffed one of the four U.S. servicemen who went to Havana on the hijacked flight. Air Force Sgt. Frederick Dube said the Cubans restricted the four men in military uniforms to a waiting room at the airport. "Everybody else got to go downtown, but they sure didn't want us out loose," he added.

Anti-U.S. Youths Stage Sydney Raid

SYDNEY, July 2 (AP).—A group of 20 youths raided the Sydney Stock Exchange today. The raiders scrawled slogans on trading boards and burned an American flag.

The raid occurred soon after operators went to lunch and when the exchange was lightly guarded. The demonstrators burst onto the nearly empty trading floor wielding pressure cans of red paint. They covered the boards with slogans such as "Down With Capitalism" and "Down With Blood Money." They turned a U.S. flag on the floor and scattered leaflets. The raiders occupied the exchange for eight minutes before running off into downtown streets. No arrests were made.

Bullet Hole in Foot, 4½-lb. Baby Is Born

WINSTON-SALEM, N.C., July 2 (AP).—A 4½-lb.-pound boy was born with a bullet hole in his left foot—a day after his mother was shot in the stomach in an argument with a man.

Both the infant, born Tuesday, a month prematurely, and the mother were reported in satisfactory condition.

Britain Plans East of Suez Role After '71

Will Consult With Commonwealth

MANILA, July 2 (UPI).—The new British Conservative government informed the South East Asia Treaty Organization today that it will consult with its Commonwealth partners on a plan to maintain a British military presence in the Malaysia-Singapore area after 1971.

In his opening address to the 15th conference of the SEATO Council of Ministers here, the British Under Secretary of State, Anthony Royle, said it was the intention of his government to reopen the question of a military presence East of Suez after 1971.

"We believe that this will provide tangible evidence of our interest and thereby contribute to the stability and security of the area," he said.

"Support Asian Friends" The United States also pledged assistance to SEATO. Secretary of State William P. Rogers told the council that the Nixon policy in Asia "means that we will support the efforts of our Asian friends to maintain their own sovereignty and security. It does not mean that we will turn our back on our international policies or withdraw into a shell of isolationism."

Mr. Rogers said this support will take the form of a shield if a nuclear power threatens a SEATO country, and of military and economic assistance, short of manpower, in cases involving other types of aggression.

He expressed agreement with the position taken by the new Cambodian regime toward SEATO. "The neutrality of Cambodia, the political condition that Cambodians have chosen for themselves, will contribute to the stability of the area and to prospects for peace," he said.

A SEATO spokesman said tonight that there was a "high level of consensus" on the need for stronger protection against Communist aggression and subversion in the face of the Cambodian crisis.

The SEATO spokesman also said that the Thai foreign minister, Thanat Khoman, urged the SEATO members to redouble efforts to get Peking and Hanoi to respond to peace efforts in Indochina.

Mr. Khoman told the session that Thailand was concerned over events in Cambodia and that, in ensuring the integrity of its own borders, Thailand "may be forced to take certain military action."

Brezhnev Calls Policy-Makers

MOSCOW, July 2 (AP).—Soviet Communist party chief Leonid I. Brezhnev today opened a full meeting of the Communist party Central Committee—the main Soviet policy making body—to discuss problems in agriculture.

A brief announcement said 11 officials, including Mr. Brezhnev, delivered reports to the meeting today and the meeting will continue tomorrow.

The 351-man Central Committee holds plenary meetings about twice a year to lay down policy on internal and foreign affairs. Between meetings, the country is run by the 11-man Politburo.

U.S. and Russia to Trade Experiments on A-Smashers

By Walter Sullivan

NEW YORK, July 2 (UPI).—Although no formal agreement has been reached, Americans will work with the Soviet Union's huge atom smasher, now the most powerful in the world, and Russians will use an even larger American machine, once it is completed, near Batavia, Ill.

In this way the best talents of both nations can be used to probe the innermost secrets of matter, employing the only two accelerators, or atom smashers, suitably equipped to do so.

After months of fruitless negotiation the exchange is proceeding without any formal agreement. Two Soviet physicists recently arrived at the American site to take part in a study of how the giant machine there can best be used.

Its circumference is close to four miles and completion is now foreseen a year from now—one year ahead of schedule.

American Team Invited At the same time a team of American physicists has been told that it can go ahead with a plan to use the Soviet machine to study the participation of a top Soviet United Nations official.

The official, Leonid Kutakov, under secretary-general of the UN in charge of political affairs in New York, suddenly showed up at today's session. The chief Soviet delegate, Alexei Roschin, asked permission for him to join the conference.

A half-hour meeting of the conference's two co-chairmen, Mr. Roschin and U.S. Ambassador James P. Leonard, and today's chairman, Mrs. Alva Myrdal of Sweden, failed to agree on the status of the Russian. The meeting was adjourned until Friday pending a ruling.

Conference sources said some delegations, including the United States, were of the opinion that as a UN official Mr. Kutakov had no right to join the Soviet delegation at the conference table.

The U.S. view, the sources said, was that in accordance with established precedent he should take his place in the visitor's section at the back of the room.

'War Criminal' Spotted

BUDAPEST, July 2 (AP).—A Hungarian, suspected of having been responsible for the wartime death of 150 deportees, was arrested 25 years after his alleged crime when he was recognized by former deportees on a Budapest street, authorities here said.

There were also other difficulties. The Russians had suggested a quid pro quo arrangement whereby every hour assigned Americans on the Soviet machine would be matched by equal time for Russians at Batavia. This seemed to the Americans to be too rich for research in which one kind of experiment may require much more

Cologne Oil Tank Blast

COLOGNE, Germany, July 2 (AP).—A tank loaded with 260 gallons of oil exploded in a suburban parking lot yesterday, destroying 13 automobiles and causing \$55,000 damage, police reported. One woman was slightly injured.



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HOLLAND FESTIVAL

Scholarly Entertainment in Haydn Opera

By David Stevens

AMSTERDAM, July 2.—Scholarship and entertainment are strange bedfellows in opera, but this liaison has been achieved in the Holland Festival's delightful production—the first in almost two centuries—of Haydn's "La Fedeltà Premiata."

The scholarship is that of H. C. Robbins Landon, the American musicologist who is the composer's ambassador extraordinary and plenipotentiary to the 20th century. The entertainment, besides coming from Haydn himself, is due largely to the production staged and designed by Jean-Pierre Ponnelle.

Both Robbins Landon and the festival are in the forefront of the current Haydn renaissance. The collaboration began in 1959 with the production jointly with the festival in Aix-en-Provence, of "Il Mondo della Luna," and continued here during the sixties with "L'Infedeltà Delusa" and "Le Pescatrici." This is somewhat slower than

Haydn's own rate of 13 Italian operas in 20 years, but the business of uncovering and preparing modern performances of these long-forgotten works is more time-consuming than the original efforts of Haydn and his collaborators at Esterházy, his princely patron's country seat in Hungary.

All Haydn

And in the matter of musical reconstruction, Robbins Landon assumed festival visitors that "Fedeltà Premiata" is all Haydn, not requiring his "creative" intervention to fill in missing parts—as in the case of the earlier "Pescatrici."

The opera, which dates from 1780, is one of the composer's "big" ones. The overture is already moderately well known as the finale to Symphony No. 73, although here it has trumpet and trumpet parts usually dropped in the symphony. The work is also distinguished by the extended, complex and ingenious finales to Acts I and II, as well as numerous startling and en-

chanting strokes of orchestration, such as the muted horn accompaniment for one of the main soprano arias of Act I.

Time and arias and ensembles evoke familiar shades and prompt the listener, without indulging in pointless speculation, to note that the enormously successful 1784 Vienna production of "La Fedeltà Premiata" must certainly have been seen by Mozart shortly before he began work on "The Marriage of Figaro."

Among the things that Haydn never had at Esterházy was a libretto like "Figaro" and this drama pastorello giocoso—already used by Cimarosa—is the usual bag of confused identities and garbled rustic love affairs, all unraveled by the arrival of Diana, *dea ex machina*, to punish her lecherous priest and halt the sacrificial intervention of a sea monster.

"All Haydn's operas were played for laughs," Robbins Landon said after the first performance Tuesday in The Hague, and Ponnelle's produc-

tion made generous and justifiable use of sight gags and broad parody, while his set was a parodistic ink sketch of a rococo forest scene with plenty of absurdly placed holes in tree trunks for characters to "hide" while taking part in the elaborate musical ensembles.

It's a fair guess that Haydn had a stronger cast at his disposal than the Holland Festival, yet the singers and the Netherlands Chamber Orchestra under Alberto Breide acquitted themselves honorably. Vocally, Pietro Bortolotto in the principal tenor part, and Helen Mardas as a soprano-nymph, were outstanding, but the show-stealer, in the one outright comic role, was Renato Capecchi, short on vocal but long on inventive buffoonery as the cowardly Count Ferruccio.

At the end, Robbins Landon joined the performers for what may have been one of the few curtain calls ever taken by a musicologist in the absence of the composer, not such a bad idea.

The most successful of the earlier Haydn opera revivals—"L'Infedeltà Delusa"—which went from its 1963 Holland Festival production into the repertoire of a number of opera houses, has recently been issued on a three-record set by the French firm, Le Chant du



Helen Mardas and Renato Capecchi.

Monde. Given the length and complications of many Haydn opera librettos, there is a lot to be said for the chance to hear these works on record, libretto in hand. These are works that benefit from repetition, and this Haydn Foundation production, under the straightforward and musical

conducting of Antonio de Almeida, is a worthy addition to the symphony series recently begun under the same auspices. The opera proper takes five of the six sides, with the three-movement concert version of the overture and the concert versions of two soprano arias on the sixth side.

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On the Arts Agenda

Beginning this week, chamber music concerts are being given daily at 5:45 p.m. and Thursdays at 8:45 p.m. in the Orangerie of the Château de Sceaux, near Paris. The concerts are organized by the Musée de l'Île de France.

The final new production of the Frankfurt Opera season will be on July 6, Rossini's "Barber of Seville," conducted by Alexander Sander, staged by Imo Moszkowicz and designed by Ekkehard Gröbner.

Oct. 1 with a series of concerts under Herbert von Karajan, the program including: Beethoven's Symphony for Strings and Berlioz's "Symphonie Fantastique." The season of 14 concert series continues until March 27, with the conductors including Rafael Kubelík (Nov. 18-21), Georg

Solti (Jan. 6-9 with Mahler's Ninth Symphony), Leonard Bernstein (Feb. 11-13 in a Ravel-Berlioz program and as soloist in Ravel's Piano Concerto in G), Georges Frère, Serge Baudo and Alain Lombard.

Paris Movies: Simplicity Triumphs in 'Kes'

By Thomas Quinn Curtiss

PARIS, July 2.—"Kes" (at the Bonaparte and the Elysées-Lincoln in English) is a motion picture to be seen and cherished. Fresh and forceful in both its concept and its treatment, it sustains a persuasive dramatic rhythm throughout, it was shown at the Cannes Festival (JFF, May 12) out of competition—in the critics' section. Had it been included in the main program, "Kes" would have been a strong contender for high honors.

The film is a triumph of artistic simplicity, an exemplary piece of movie making. It was shot in an English country town and its actors are for the most part the pupils and masters of a provincial day-school. Its star, 15-year-old David Bradley, had never been before the camera, but his poignant characterization of a lonely child, bullied at home and a misfit in the classroom and on the playing fields, is a his-

- 'Le Bal du Comte d'Orgel'
- 'Two Mules for Sister Sara'
- 'Julius Caesar'

tronic highlight of the season. The adventures of this exiled adolescent are related in documentary form, but with deep sympathy and, occasionally, with diverting humor. The boy finds escape from his misery in the taming of a wild hawk. Later he loses this consolation tragically, but his experience in training the bird has been a light in the dark. It awakens his dormant imagination to the wonders of the world. The final note is one of hope.

You will be moved and you will be amused by this unique film, so truthfully played and so intelligently directed by Ken Loach.

Marc Allégret has extracted a mannered movie from Raymond

Radigue's 1923 novel about a threat of adultery in Parisian high society, "Le Bal du Comte d'Orgel" (at the Colisée). The tale of an ultra-refined and wealthy nobleman who encourages a young friend's infatuation with his beautiful wife is of classic origin. Hebel dramatized it in "Orgel" and his "Ring" and "Gide" dramatized it in "Le Roi Candale." But Allégret, employing the Radigue version as his springboard, has not succeeded in dramatizing it.

The perfume of hothouse artificiality clings to the film adaptation. It exaggerates the narrative's action and energy, which sink in the deluge of period atmospherics flooding the screen. The Bright Young Things of the early 20s are seen as innumerable but spiritless play. There are arch references to "Daisy Buchanan" and "The Great Gatsby" and "War I" setting. The background is so heavily established that it overshadows the foreground and the figures of the tale emerge as the mannequins of a wax museum. There is a corking parade of the modes and the mores of 1922 in hairdressing, color photography, but Radigue's psychological nuances have been lost. Jean-Claude Brialy as the foolish aristocrat who toys with his wife's fidelity leads the fancy-dress ball of a set of lavishly clad marionettes.

As the Western is here to stay, it is felt that something must be done to make it palatable to modern audiences. We already have the spaghetti Western from Italy, the blood-

and-thunder Western. (The Wild Bunch), the tongue-in-cheek Western. And, not long ago, the first "Sexy Western" arrived—it turned out to be only a mawkish melodrama about racism in Texas. Now we have the slow-motion Western, "Two Mules for Sister Sara" (at the Elysées-Lincoln in English) is an American Western, shot in Mexico. In it, Shirley Maclaine impersonates a sister of charity who wants to massacre Napoleon III's warring troops, an endeavor in which she enlists a Civil War veteran (Clint Eastwood) who has rescued her from rape by bandits. There is much wandering in the wastelands and a few gun battles, but the general impression is of slow motion. There is an interminable passage in which Maclaine extracts an arrow from Mr. Eastwood's shoulder, a successful operation—unlike the film's attempt to give worn-out hokum a face-lift.

The 1962 film version of Shakespeare's "Julius Caesar" is back in 70 mm. at the Empire and the Kinepolis. To directing it, Joseph Mankiewicz added the gaudy style of DeMille and shot it lavishly in black and white, neglecting to add any Roman-Hollywood orgies.

In the theater, the play, after its third act, presents a production problem. Either a unit act must be employed to give the busy action and scene shifts a natural flow or there must be a distracting lowering and hoisting of the curtain. These two last acts are better suited to the cinema and Mankiewicz has managed them efficiently and effectively. As you may remember, Marlon Brando, though vocally still in "A Streetcar Named Desire" is Marc Antony. John Gielgud is Cassius, James Mason is Brutus and Louis Calhern is Caesar.

Entertainment in New York

MOVIES

NEW YORK, July 2.—Three of the new movies which opened here this week got favorable reviews from The New York Times.

"Catch-22," based on Joseph Heller's best-seller, was reviewed by Vincent Canby as "quite simply the best American film I've seen this year. It looks and sounds like a big-budget commercial service comedy but it comes as close to being an epic human comedy as Hollywood has ever made." The large cast, under the direction of Mike Nichols, is headed by Alan Arkin as the World War II hero Captain Yossarian, and includes Paula Prentiss, Orson Welles, Anthony Perkins and John Voight.

"The Virgin and the Gypsy," an adaptation of a D.H. Lawrence novel, is the first feature film to be directed by 31-year-old Englishman Christopher Miles. Vincent Canby praised it as "an immensely romantic movie that mingles its old-fashioned manners with style and critical intelligence." The film stars Johanna Shimkus as a vicar's daughter in north country England, and Franco Nero as the lower-class male who is the object of her spinsterly daydreams.

"Two Mules for Sister Sara," directed by Don Siegel after a story by Budd Boetticher, stars Shirley Maclaine and Clint Eastwood. Roger Greenspun said the film "ought to be the realization of a movie lover's dream... and by the happiest juxtapositions of imagination and talent, it is." Clint Eastwood said the film "is a mercenary working for followers of the 18th-century Mexican patriot of Juarez, and Shirley Maclaine a nun whom he rescues from desperados.

Other new movies include: "Beyond the Valley of the Dolls" directed and produced by Russ Meyer, which is not a sequel to the film based on Jacqueline Susann's novel "Valley of the Dolls" the director said, but is a "stand-alone" film. The new film "came off with a slightly higher rating," Vincent Canby said, "which is not to say it is any good." The cast includes Dolly Read, Cynthia Myers and Marcia McBroom.

PLAYS

NEW YORK, July 2.—Here is how new off-Broadway plays fared with city drama: "Boys and Girls" directed by John Berry, at the Circle-in-the-Square Theater, got an excellent review from Clive Barnes of The New York Times and a fair one from Jack Caver of United Press International. The play is the third in the trilogy of South African playwright Athol Fugard, and, according to Clive Barnes, there have been none better: "Fugard's writing is beautiful. Here he is not so much telling a story as painting a picture—you never wonder for a moment what is going to happen for the outcome is always predictable. It is therefore a dialogue of pain—two people battling one another with the gnarled claws of their hopelessness." Mr. Caver said the play is "by far the least interesting of the trilogy." Both reviewers praised the acting of James Earl Jones and Ruby Dee.

"Golden Bat" presented by the Tokyo Kid Brothers at the Café La Mama Theater, got a good review from Clive Barnes, who said that while the play is a tribal musical in the tradition of "Hair" it is "also its own way completely original." The Tokyo Kid Brothers believe in audience confrontation, but without abrasive condescension. "The 'musical' was written by Shunzo Tanaka. Most of the play is in Japanese.

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U.K. Reserve Total Has 10th Monthly Gain

Debt Repayments Cut
Rise to \$24 Million

By Fred Coleman

LONDON, July 3 (AP).—Britain's official monetary reserves, which back up the pound sterling, rose by \$10 million (\$24 million) in June to \$11.6 billion (\$2.9 billion), the Treasury announced today.

It was the tenth straight month of gains for British reserves, comprising gold, convertible foreign currency and—since January—Special Drawing Rights in the International Monetary Fund.

So far in 1970, reserves have risen \$110 million despite heavy debt repayments.

Sign of Recovery

The steady improvement has been one of the stronger indications of the country's economic recovery since the low in November, 1967, when the pound was devalued.

The Treasury said reserves rose in June despite these debt repayments.

• \$21 million to the Bank for International Settlements for pre-devaluation loans, the fifth of eight such repayments.

• \$22 million in long-term borrowings and interest from the United States.

The announcement of the reserve gain immediately touched off an improvement in the pound sterling on the foreign exchange markets. It jumped five points to \$2.3434 from \$2.3383.

But it later dropped to \$2.3396—its lowest level in seven months.

Dealers said part of the fall was for technical reasons but they were at a loss to explain the full extent of the drop. They did point out that sterling has been under pressure for some days because of higher interest rates in the Euro-dollar market.

The London stock market moved higher, despite some easing off toward the close on profit taking.

The Financial Times index of 30 industrials closed up 5 points at 52.0 near the close.

PEOPLE IN BUSINESS

The newly formed International Association of Financial Executives Institute has elected as its first president Herbert C. Knaert who is vice-president and controller of International Telephone and Telegraph. Elected secretary of the new group was Mario Hernandez Robles, director of finance of Mexicana Airlines.

California-based investment firm Strichman, Jones & Templeton, which recently opened an office in Louisiana, has named Henri L. Earth vice-president and foreign representative.

Henry A. Bertrand, 47, has taken over from Yvon Surdiacourt as president of Elisabeth Arden-France. Mr. Surdiacourt was responsible for company activities in the Benelux countries.

Eurocrats Hope for Dynamism Leadership Questions Hover Over New EEC Commission

By Richard Norton-Taylor

BRUSSELS, July 2 (WFP).—A new Common Market executive commission, presided over by Italy's Franco Maria Malfatti, took office today at a critical time for the market.

In a brief ceremony at Common Market headquarters here, outgoing president Jean Rey officially handed over the job of leading Eurocrats to Mr. Malfatti, 43, and formerly Minister of Posts and Telecommunications in Rome.

The commission, the Common Market's top independent body with a considerable say over the market's trade policy, has been reduced from 14 to nine members. Apart from Mr. Malfatti, key members will be France's Raymond Barre and Jean-François Deniau, respectively, responsible for monetary affairs and foreign trade, and Holland's Sicco Mansholt, architect of the market's agricultural policy.

Hopes for Dynamism

It is widely hoped—not least by many of the 5,000 or so Eurocrats on the commission staff—that the new streamlined commission will provide the political dynamism which has been lacking over the past few years.

After many years of battering by French Gaullists, the commission is struggling to maintain its influence as the "motor" behind the Common Market.

It is in further danger of losing influence if entry negotiations with Britain—formally opened on Tuesday—succeed, and the market is enlarged to include at least ten nations. The commission has already lost the first round, in that its role during the negotiations has been reduced to a minimum.

Political Shift

The political complexion of the new commission is somewhat to the left of the old. New members include Rolf Dahrendorf, ex-minister of state at the West German foreign office and progressive member of the small Liberal Free Democratic party, and Altiero Spinelli, an Italian socialist and well-known "Eurocrat."

Former West German trade union leader Wilhelm Haferkamp moves up to become a vice-president of the new commission.

Mr. Malfatti himself is regarded as an up-and-coming moderate in Italy's Christian Democratic party.

In his first official statement today, he said that progress from a customs union to economic and monetary union requires "a constructive response to the legitimate pressure now being exerted to bring about more effective forms of democratic control and participation by the people. Hence the increasing importance of the role to be played by the European Parliament, political forces, trade unions, opinion groups and the press."

U.S. Eurodollar Take

WASHINGTON, July 2 (Reuters).—Eurodollar borrowings by U.S. banks from their foreign branches rose \$126 million in the week ended June 24, the Federal Reserve reported yesterday. This follows a \$127 million increase the week previous and brings gross liabilities to \$12.69 billion.

U.S. Consumer Credit Rises in May

WASHINGTON, July 2 (Reuters).—May consumer installment credit increased \$415 million following a \$286 million increase in April, the Federal Reserve reported today.

It was the largest growth since the \$418 million increase in February and compares with the January increase of \$380 million and

Cornfeld Charges 'Deceit' in Ouster

By Philip Greer

NEW YORK, July 2 (WFP).—Bernard Cornfeld, deposed chairman of IOS, Ltd., charges the mutual fund giant's management with "deceit" in dropping him from the board of directors.

Mr. Cornfeld said in an interview last night that he had been assured last week by IOS board chairman Sir Eric Wyndham White that he would be elected to the board.

"In the final analysis, it really doesn't make a shred of difference whether I'm on the board or not," said Mr. Cornfeld, who owns some 7.5 million preferred and 30,000 common IOS shares, about 13 percent of the outstanding stock.

"What is disappointing," Mr. Cornfeld said of his ouster, "is the deceit with which it was done. I'm disappointed that it was done by people I've worked with for years."

Mr. Cornfeld said he resigned his chairmanship as part of the agreement with Denver oil promoter John M. King, who tried to organize a "rescue" consortium for the cash-strapped financial complex. "Actually, the fact I was chairman of the board didn't keep the board from approving the King deal. I fought violently against that one and it's been disastrous for the company," he said.

Of Sir Eric, former director-general of the General Agreement on Tariffs and Trade, who took over the IOS chairmanship in mid-May, Mr. Cornfeld said: "Eric's telling people that it's a new management that's going to clean everything up. He doesn't tell them that he's been on the board for two years, that he was a member of the executive committee and that he was a member of the special committee. I see he also says he's paid \$10,000 a year, but I think the figure is closer to \$75,000."

Mr. Cornfeld, who founded the IOS Foundation and several hundred thousand owned by IOS Stock Option Plan which they (management) voted for individual directors and not for me."

Mr. Cornfeld placed 11th in the voting for common-share directors, with about 700,000 votes. The results were announced at midnight Tuesday, but a detailed tally was not available, IOS said.

Mr. Cornfeld said he has not decided whether he will contest the meeting and the election. "I really don't want to do anything that will hurt the company," he said. "After all, I have the biggest single stake in the company."

He said that, in addition to his own stock, he had proxies for 9 million shares of preferred stock, but they were not voted because he did not attend the meeting. "I only called about 25 of the largest shareholders and not one of them turned me down," he said.

On Loan Question

Mr. Cornfeld disputed IOS's claim that he had more than \$5 million in loans from subsidiary banks. "Most of that is guarantee of mortgages on my planes," he noted, "and that's the kind of business a bank loves to get. They don't pay out a cent and I pay them a fee of about \$25,000 a year. The actual mortgages on the planes are held by outside banks. Then there may have been some overdrafts in some of the 20-odd accounts I have at our banks, but my accounts have always had a net positive balance."

Short, balding, bearded, Mr. Cornfeld also sounded a note of pessimism on the ability of the current IOS management to solve its cash problems. "A lot of people are rushing in to fill the void and with a lot of self-interest," he said. "I don't think it's wise to wait for the future of Sir Eric and the others."

Where the Proxies?

He charged that "there are 800,000 common shares held by

Penn Central Is Told to Pay Some Post-Bankruptcy Bills

By Frank C. Porter

WASHINGTON, July 2 (WFP).—A federal judge told the Penn Central railroad yesterday that it must pay all interstate charges incurred since the carrier filed a bankruptcy petition June 21.

He left open for bankruptcy trustees to be appointed later the question of \$32.8 million in unpaid interstate fees due earlier.

Judge John P. Fulton showed obvious concern that continued default on these charges—which run to \$24 million a month for Penn Central—could jeopardize the liquidity of other U.S. railroads.

The ruling came on a suit by Burlington Northern Railroad, which claimed its own cash position is desperate. Its attorneys noted that the \$2.5 million in interstate charges owed by Penn Central represents 30 percent of the road's current working capital.

Some of the 12 other carriers joining Burlington Northern in the suit claimed they face heavy deficits and even possible bankruptcy themselves.

Interline charges represent payments for services by a railroad through use of its trackage or equipment for traffic originating on another carrier for which the latter has collected.

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Blue Chips Firm, Glamours Off Prices Close on Mixed Note In Holiday-Shortened Week

By Vartan G. Vartan

NEW YORK, July 2 (NYT).—The vulnerability of stocks to a sudden sell decision by institutions and the violent passing from investment favor of certain groups. As an air cargo carrier, Flying Tiger once stood out as a mutual fund favorite. Its shares sold as high as \$30 7/8 earlier this year and at a peak of 48 1/2 in 1967.

Seaboard World Airlines, another air freight carrier, edged up 1/2 to 5 2/8 after plummeting 1 5/8 on Wednesday and scraping a new low at 4 1/2.

The Dow Jones industrial average, which does not include glamour issues, edged higher for the third straight session. Dipping from earlier gains of more than 4 points, the Dow indicator added 1.50 to finish at 889.14. It thus held within its five-week trading range of 680 to 720.

The NYSE index slipped back 0.07 to close at 39.84. Standard & Poor's 500 also closed slightly down, losing 0.12 to 72.92 and on its broadly based industrial average it lost 0.17 for a decline of some 0.58 on the week.

In the once-shining glamour sector, Tek tumbled 4 7/8 to 25, which compares with this year's peak of 80 1/4. Burroughs fell 4 1/8 to 87 3/4, down from its 1970 high of 172 3/4. Both placed on the active list and both made yearly lows.

IBM slipped 3 1/4 to 250 3/4. Disney dropped 4 1/8 to 115 1/2.

Largest Loser

While Tek ranked as the Big Board's largest percentage loser, declines of more than 2 points appeared in Honeywell, Fairchild Camera and National Cash Register.

The drop in glamour issues reflected concern over the economic slowdown, the declining flow of defense dollars and the market's continuing sensitivity to high earnings multiples.

Penn Central, the financially beleaguered rail giant, eased 1/4 to 6 1/4. Also high on the active roster was Chrysler, off 1/2 to 18 3/4, after increasing the bank credit line for its financial subsidiary.

The action of Flying Tiger line, whose stock ran into a downward as the most active issue, illustrated several characteristics of the current bear market. The stock moved down 7 1/2 to 11 3/4.

The low price for the year—11 1/4—came on a huge block of 307,800 shares, demonstrating both

Psychology Changes

Recent changes in business and Wall Street psychology "have finally created a climate conducive to an easing of money," Mr. Wojniolowski suggested.

Corporate borrowers of less than prime credit standing have difficulty getting funds and are cutting back capital spending, he said. Securities buyers apparently have become skeptical about a business upturn later this year, and have begun to accept the view that price inflation is on the way to being curbed, he added.

The federal budget deficit for fiscal 1971 did not move Mr. Wojniolowski away from his view of the outlook for rates. The economy is getting to the point where a deficit will be regarded as constructive, he said.

Fed Success

The Fed, he said, has succeeded in its objective of producing a modest growth rate in the monetary aggregates.

Accelerated growth in bank credit now "seems probable," Mr. Wojniolowski said.

As a result, the enlarged federal deficit "will not have to be financed in a drum-tight credit market at the expense of private borrowing and spending but can actually become a net stimulus to consumption," he said.

Auto Production

In U.S. Increased

By 2.6% in June

DETROIT, July 2 (UPI).—June automobile production, led by increases at General Motors and Ford, rose 2.6 percent over June, 1969, the four major U.S. automakers reported yesterday.

Chrysler Corp. reported slightly decreased production in its U.S. plants but said combined Canadian-American production set a June North American output record of 172,074 cars.

GM built 465,496 new cars last month, compared with 457,410 in June, 1969.

Ford built 206,537 new cars and a June record of 59,853 trucks last month, compared with 191,426 cars and 53,007 trucks during June, 1969.

American Motors reported production dropped slightly from 271,127 cars in June, 1969, to 267,751 last month.

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Javits Calls for U.S. Action To Counter 'Liquidity Crisis'

By H. Erich Heinemann

NEW YORK, July 2 (NYT).—Sen. Jacob K. Javits called on the Nixon administration yesterday to take the lead in creating a new government agency to help tide companies over what he termed the "liquidity crisis" now facing the financial markets.

In an interview, New York's senior Republican senator said that "I think it's a real crisis, and I think that there's no reason in a country as strong as ours that the government shouldn't back up the liquidity problem, as we've done in other serious economic setbacks."

Congress has as its "first priority," he said, the bill to provide \$750 million in federal guarantees for the railroads, including the giant, and bankrupt, Penn Central Transportation Co.

Sen. Javits said it also was "very essential" for Congress to provide back-up for brokerage accounts.

"Then," he asserted, "I think we have very seriously to consider some government agency that will give back-up in liquidity to American corporations that require it."

Payment Slowdown

"I'm hearing on every side," the senator said, "that pay is very slow even from the best customers, and

you know, how long can this go on?"

"Instead of ten days [for companies to pay their bills], it's three and one half months," he said.

Meanwhile, leading dealers in commercial paper (unsecured corporate notes that are sold in the open market) tended to take a much more relaxed view of the situation.

They freely concede that the runoff of commercial paper over the midyear date (normally heavy) had been much greater than usual. But they maintained that "it's about at the bottom now."

At the end of May, total commercial paper outstanding came to just under \$40 billion.

One major commercial house put it this way: "The panic, or the crisis, or whatever you want to call it is over, so far as we're concerned."

Sen. Javits said that the agency that he had in mind would have to be capable of making direct loans where that was essential. But he said, "This will be relatively infrequent. What you need is a guarantee agency essentially."

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— 1970 — Stocks and High Low Div. in \$						— 1970 — Stocks and High Low Div. in \$						— 1970 — Stocks and High Low Div. in \$						
		\$5.	100s. First High Low Last		Net			\$5.	100s. First High Low Last		Net			\$5.	100s. First High Low Last		Net	
					Chge						Chge						Chge	
0064	50% Carnation	29	17	16 1/4	15 5/8	18 1/4	18 1/4	17				21	7 1/2	Global Marlin	12	8 1/2	8 1/2	8 1/2

(Continued on next page)

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-1979 -		Stocks and		S&P		Net		-1979 -		Stocks and		S&P		Net		-1979 -		Stocks and		S&P		Net	
High, Low		In \$		First, High Low Last		Chrg		High, Low		In \$		First, High Low Last		Chrg		High, Low		In \$		First, High Low Last		Chrg	
2894	1214	UAL Inc 7	95	1314	14	1275	1574	-34	2794	174	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2904	1234	UARGO C 1.10	1	1	24	24	24	-14	2804	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2914	1244	UARGO C 1.10	1	21	21	21	21	-14	2814	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2924	1254	UARGO C 1.10	1	21	21	21	21	-14	2824	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2934	1264	UARGO C 1.10	1	21	21	21	21	-14	2834	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2944	1274	UARGO C 1.10	1	21	21	21	21	-14	2844	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2954	1284	UARGO C 1.10	1	21	21	21	21	-14	2854	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2964	1294	UARGO C 1.10	1	21	21	21	21	-14	2864	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2974	1304	UARGO C 1.10	1	21	21	21	21	-14	2874	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2984	1314	UARGO C 1.10	1	21	21	21	21	-14	2884	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
2994	1324	UARGO C 1.10	1	21	21	21	21	-14	2894	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3004	1334	UARGO C 1.10	1	21	21	21	21	-14	2904	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3014	1344	UARGO C 1.10	1	21	21	21	21	-14	2914	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3024	1354	UARGO C 1.10	1	21	21	21	21	-14	2924	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3034	1364	UARGO C 1.10	1	21	21	21	21	-14	2934	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3044	1374	UARGO C 1.10	1	21	21	21	21	-14	2944	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3054	1384	UARGO C 1.10	1	21	21	21	21	-14	2954	164	USAA Pfl.50	2300	18	18	18	18	18	18	18	18	18	18	18
3064	1394	UARGO C 1.10	1	21	21	21	21	-14	2964	164	USAA Pfl.50	2300	18	18									

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Goodyear 44-71...	95%	98%	Autobase 44-87...	85	87	Canada 71-80....	95	96
Hercules 44-71...	95%	96%	Amer Con 44-88...	72	75	ComFedEl 44-84...	83	84
Honda 71-81...	82%	84%	AmTub 514-88....	94	96	ComFedEl 814-78...	94%	95%

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Aries Fund N.V.	\$35.44	Kleinwort Benson Int. Fd.	\$8.27
Ascot Fund	\$2.54	Kleinwort Benson Jap. Fd.	\$10.40
Ascotrainc Fund	\$6.21	Lafayette Associates	\$22.83

11G

[illegible]

Covert. Pd. Int. S. Certs	\$8.06	- Pan Amer. Discount Pd	\$2.50
Convertible Bond Pd. N.Y.	\$9.99	- Pan Amer. Special Pd	\$8.99
Crosby Fund Sd. N.Y.	\$6.23	- Real Estate Equities	\$10.13
		Par Fund	\$10.43

[illegible]

- American 1785	\$0.12	- Inv. Asia Pacific Fd.	\$28.48
- Int'l Min. & Petr. Fd.	\$10.67	- Invest. Selection Fd.	\$3.66
- Ausl. Land & Prop. Fd.	Bab. \$0.22	- Sogeflux Capital Fund	L.F. 6228
- World. Nations. Citiz. Fnd.	\$15.74	- S. African Int'l Fund	Bab. 7255

[illegible]

USAF Africa Fund	31.94	Zyndall	Belmont Fund	30.20
Orlando Iberia	Plus.91.29	Zyndall	Inter. Fund	30.60
US/Asia (50-50)	85.10	Zyndall	Overseas Fund	81.11
United American Ed. F.A.	\$5.00			

[illegible]

LOS FUNDS:		U.S. Land Fund	\$3.72	Amount enclosed
- Commonweath Int'l	Can.\$11.02	U.S. Trust Invest Fund	\$9.50	
- Commonw. Leverage	Can.\$2.79	Universal Bk Stock Fund	\$16.31	

100 International ...	\$10.57	Victory Fund S.A.	\$72.37
100 Fund 41 Funds ...	\$18.83	Western Growth Fund ...	\$6.48
100 Starline ...	\$11.13	Western Fund S.A. ...	\$6.48
100 Western Funds ...	\$6.20	World Equity Growth Fd ...	\$591.00
100 Growth Fund ...	\$18.84	World Bank Stock Fund ...	\$14.22
100 Regent Fund ...	\$5.70	World Bank St. Stock Fd ...	\$14.46
100 Venture ...	\$15.70	Worldwide Securities ...	\$34.75
100 Ventures (Int'l) ...	\$7.61	Worldwide Special ...	\$2.68
100 Fund ...	\$11.00	Zodiac Commodity Fund ...	\$10.00
100 U.S.F. ...	\$7.23		
100 International Growth Fund ...	\$12.38		
100 International S.A. Trust ...	\$10.00		
100 Growth ...	\$8.00		
100 American S.A. ...	\$9.85		

Name	Address	City	Country
British-American Bank			
UNITED			1977

U.S. Commodity Prices									
COMMODITY INDEXES									
Jan	2,904.5	2,973.1	2,944.4	3,004.1	2,953.4				
Feb	2,973.1	3,004.1	2,973.1	3,004.1	2,973.1				
Mar	3,004.1	3,035.6	3,004.1	3,035.6	3,004.1				
Apr	3,035.6	3,067.1	3,035.6	3,067.1	3,035.6				
May	3,067.1	3,098.6	3,067.1	3,098.6	3,067.1				
Jun	3,098.6	3,130.1	3,098.6	3,130.1	3,098.6				
Jul	3,130.1	3,161.6	3,130.1	3,161.6	3,130.1				
Aug	3,161.6	3,193.1	3,161.6	3,193.1	3,161.6				
Sep	3,193.1	3,224.6	3,193.1	3,224.6	3,193.1				
Oct	3,224.6	3,256.1	3,224.6	3,256.1	3,224.6				
Nov	3,256.1	3,287.6	3,256.1	3,287.6	3,256.1				
Dec	3,287.6	3,319.1	3,287.6	3,319.1	3,287.6				
Jan	3,319.1	3,350.6	3,319.1	3,350.6	3,319.1				
Feb	3,350.6	3,382.1	3,350.6	3,382.1	3,350.6				
Mar	3,382.1	3,413.6	3,382.1	3,413.6	3,382.1				
Apr	3,413.6	3,445.1	3,413.6	3,445.1	3,413.6				
May	3,445.1	3,476.6	3,445.1	3,476.6	3,445.1				
Jun	3,476.6	3,508.1	3,476.6	3,508.1	3,476.6				
Jul	3,508.1	3,539.6	3,508.1	3,539.6	3,508.1				
Aug	3,539.6	3,571.1	3,539.6	3,571.1	3,539.6				
Sep	3,571.1	3,602.6	3,571.1	3,602.6	3,571.1				
Oct	3,602.6	3,634.1	3,602.6	3,634.1	3,602.6				
Nov	3,634.1	3,665.6	3,634.1	3,665.6	3,634.1				
Dec	3,665.6	3,697.1	3,665.6	3,697.1	3,665.6				
Jan	3,697.1	3,728.6	3,697.1	3,728.6	3,697.1				
Feb	3,728.6	3,760.1	3,728.6	3,760.1	3,728.6				
Mar	3,760.1	3,791.6	3,760.1	3,791.6	3,760.1				
Apr	3,791.6	3,823.1	3,791.6	3,823.1	3,791.6				
May	3,823.1	3,854.6	3,823.1	3,854.6	3,823.1				
Jun	3,854.6	3,886.1	3,854.6	3,886.1	3,854.6				
Jul	3,886.1	3,917.6	3,886.1	3,917.6	3,886.1				
Aug	3,917.6	3,949.1	3,917.6	3,949.1	3,917.6				
Sep	3,949.1	3,980.6	3,949.1	3,980.6	3,949.1				
Oct	3,980.6	4,012.1	3,980.6	4,012.1	3,980.6				
Nov	4,012.1	4,043.6	4,012.1	4,043.6	4,012.1				
Dec	4,043.6	4,075.1	4,043.6	4,075.1	4,043.6				
Jan	4,075.1	4,106.6	4,075.1	4,106.6	4,075.1				
Feb	4,106.6	4,138.1	4,106.6	4,138.1	4,106.6				
Mar	4,138.1	4,169.6	4,138.1	4,169.6	4,138.1				
Apr	4,169.6	4,201.1	4,169.6	4,201.1	4,169.6				
May	4,201.1	4,232.6	4,201.1	4,232.6	4,201.1				
Jun	4,232.6	4,264.1	4,232.6	4,264.1	4,232.6				
Jul	4,264.1	4,295.6	4,264.1	4,295.6	4,264.1				
Aug	4,295.6	4,327.1	4,295.6	4,327.1	4,295.6				</

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gets results!**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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	Bid	Ask
Pro Fund	7.51	7.51
Provident	5.57	2.90
Puritan	8.11	8.66
Putnam Funds:		
Equit	5.75	5.28
Georg	11.29	12.45
Grin	7.69	8.62
Incom	5.55	7.16
Invest	5.56	5.08
Vista	4.90	7.10
Voyag	5.29	5.78
Rae Tech	2.16	2.46

Income	8.57	5.87	Dreyf	Fd
Insur	5.83	6.29	Dreyf	Lv
Advisrs	4.09	4.47		

Shiner	4.95	5.4
Silver	4.70	5.8
Traim Pd	4.70	4.81
Schrod	11.67	15.33
Scudder Funds:		
Int Inv	(unavail)	
SocI	25.25	25.37
Bal	12.25	12.25
Growth St	7.37	7.57
Security Funds:		
Cons	2.35	2.58
Invsat	4.30	5.74
Ultra	5.55	5.74
Gwth Am	7.74	7.88
Sel Specs	11.48	2.48
Sham Fd	34.44	34.44
Stk Asia	33.75	33.72
Jr Dasm	11.16	11.16
Slide	4.54	4.51
Sigma Funds:		
Captl	4.32	5.80
Invest	8.74	9.55
Trust	7.34	7.37
Smith B	4.23	7.48
Swm Inv	6.52	7.48
Swing St	4.39	9.48
Sover Inv	11.45	12.54

600	Axe Houghton:	Fair Va
300	Ford A. 175 174	Fair Dis

[illegible]

51.50	Speci	6.32	6.91	Hed'd Gar.
42	Chemel	14.29	15.42	Hedge
05				

Vanged	2.97	3.23
Var. indp	1.37	4.02
Viting	5.19	3.60
Wells in	9.15	10.01
West	9.60	10.49
Westling	Group	
Explr	17.23	10.33
Evale	11.53	12.57
Forg	2.41	8.10
Techr	8.26	
Trav	8.24	9.01
Waltz	4.48	10.26
Winder	7.63	8.34
West	4.48	4.98
Whitehill	10.40	11.37
Winced Fd	3.85	4.21
Winkler	3.49	7.72
Wisc Fd	5.82	5.14
Worth	3.77	2.15

2860	Abnobi	-	-	5 1/4	5 1/4	5 1/4
215	Acklands	-	-	5 1/4	5 1/4	5 1/4
300	Agra V On	4.70	4.60	4.60		

2060	Admiral		51%	51%	51%
215	Acklands				
30	Agua V Oil	4.7%	4.6%	4.6%	
13	Argus	12%	12%	12%	
100	Argus pt C	8%	8%	8%	
1250	Art Sug	5%	5%	5%	
6389	Bk Nova S	16%	16%	16%	
4224	Bell Tel	41%	41%	41%	
2200	Block Bros	2.8%	2.7%	2.8%	
540	Burns	7%	7%	7%	
1000	Calg Pow	21	21	21	
100	Can Malt	20%	20%	20%	
100	Can Pack	13%	13%	13%	
100	Can Pacm	Mkt	9%	9%	

4335	Cdn	Im Bk	1996	11-2
3212	Cdn	Ind Gas	7 1/2	7 1/2
610	Cdn	Wstph	8 1/2	8

- [illegible]

200	Petrolina	14	14
200	Scotts Rest	714	734
200	Shell Co. A	2514	2514

200	Petrolins	14	14	14
200	Scots Rest	7%	7%	7%
6964	Shell Can A	26%	25%	26%
136	Simpson Ltd	15%	15%	15%
330	Simpsons A	20	20	20
250	Slater Sfl		k315	12
3579	Steel Can	21%	21%	21%
25	Super Pr	29	29	29
85	Teledyn Can	5%	5%	5%
300	Tecoco Can	21%	21%	21%
3685	Tor Dm Bk	17%	17%	17%
75	Tow Group	8%	8%	8%
120	Tower C	3%	3%	3%

925 Un Carb Can	11 1/2	11 1/2
3050 Un Gas Can	13 1/2	13
10 100 G Can	13	20

925 Un Carb Can	11%	11%	11%
3020 Un Gas Can	13%	13	13%
10 Un O Can	30	30	30
800 Vegetable	2.60	2.50	2.50
160 Walneco	2.60	2.60	2.60
40 Walwood	13	13	13
300 Warden Int'l	5%	5%	5%
175 Waton A	20%	20%	20%
523 White Pass	14%	14	14

MINES

17286 Almaden	2.18	2.00	2.05
1431 Batts. Com	13.92	73.25	14.07

[illegible][illegible]

1234 1234 1234

1294	1296	1296	
2614	2616	2612	46
1316	16	15	46
4302	420	420	
2404	34	34	
420	420	240	+13
812	812	812	
2516	2514	2514	46
1194	1194	1194	46
1612	1612	1612	46
1014	994	994	46
1594	1594	1594	46
358	340	340	10
1214	13	1314	+16
594	594	594	46
712	712	712	46
214	214	214	46
2114	2094	2094	46
2514	2514	2514	46

Sharp increase in profits and dividend

Profits rise 25.5 percent; Dividend up 20.2 percent

During the year covered by the Banque de Bruxelles 1969-70 accounts, customers' deposits and current accounts (including cash notes outstanding) increased 14.6%. The total, as of March 31 last, was BF 81,667 million.

Bankers' and correspondents' balances amounted at the same date to BF 47,439 million so that the external funds lodged with the Bank amounted to BF 129,106 million.

Owing to the extremely severe official restrictions on the expansion of private credit, the growth under this head was less rapid. This involved a material increase in purchases of public securities.

After an exceptional appropriation of BF 251.9 million for depreciation of the holdings of public securities, the profit for the year was BF 632.2 million. This is higher by 25.5% than in the previous year. Bringing in the balance of BF 61.9 million brought forward, the profit available for distribution was BF 694.1 million.

The Board of Directors, at its meeting on May 25, 1970, decided to recommend to the forthcoming Annual General Meeting, the payment of a dividend of BF 110 per share net of Belgian withholding tax.

By comparison, the net dividend paid last year, adjusted to allow for the capital increases and the free share bonus in respectively, 1968 and 1969, was equivalent to BF 91.50 per share on the present basis. For the shareholder, therefore, the dividend now recommended represents an effective increase of 20.2% in its receipts.

The gross amount of the dividend, taking account of the withholding tax deduction and the tax credit, is declarable by individual shareholders as BF 166.96 per share. Subject to the general meeting's approval of the Board's proposals, the amount to be distributed by way of dividend will be BF 453.6 million, or 31.5% more than in the previous year.

Balance Sheet as of March 31, 1970

ASSETS		Belgian Francs	CONTINGENT ACCOUNTS		Belgian Francs
Cash, National Bank, Postal Giro		4,489,778,303	Assets pledged as security:		
Day-to-day loans		2,010,000,000	a) for our own account (entirely uncommitted)		
Bankers		30,482,878,524	BF		2,087,000,000
Other short-term assets receivable		3,594,922,650	b) for account of third parties		251,327,639
Bills:					
a) Public bills	BF	15,488,610,000	Total		2,348,327,639
b) Commercial bills		28,395,305,486	Securities lodged as collateral for our own account		6,889,000
Total		43,863,915,486	Guarantees received from third parties		58,580,413,622
Loans and advances on securities		188,229,103	Guarantees given for account of third parties		7,417,569,554
Debtors for acceptances		4,138,751,531	Bills rediscounted		4,244,177,333
Sundry debtors		22,228,814,624	Forward transactions in foreign exchange		77,688,080,162
Security holdings:			Forward transactions held for safe custody		69,754,049,788
a) Belgian public securities	BF	27,808,023,056	Miscellaneous (1)		18,058,432,818
b) Other bonds		2,590,380,707	(1) President's Foundation		2,000,000
c) Company shares and stock		12,818,852	G) Including: BF 4,408,78,812 representing the guarantee given by the Bank in respect of bearer certificates issued in counterpart of registered securities, and in respect of certificates of mutual investment funds.		
Total		30,318,232,085			
Securities representing the legal reserve		246,735,189			

PROFIT AND LOSS ACCOUNT

TO MARCH 21 1950

		10 MARCH 31, 1970	
Total	753,597,430		
Premises and property	1,004,096,322	DEBIT	
Participations in real estate subsidiaries	1	Transfer to the free reserve of non-taxable sur-	
Furniture and equipment	1	pluses on realization of assets	636,521
Miscellaneous	1,566,714,330	Interest and commissions paid	8,984,145,443
Total assets	145,008,966,789	General expenditure:	

LIABILITIES

External liabilities:		c) Taxes and dues	332,224,797
Priority and guaranteed creditors	112,578,508	d) Publicity expenditure (art. 15, A. R. 185)	51,140,357
Unsecured day-to-day loans	89,067,096	Total	3,484,300,854
Banks	47,433,897,764	Depreciation	878,141,707
Acceptances	4,138,751,531	Sundries	5,028,751
Other short-term liabilities	1,085,481,963	Profit available:	
Deposits and current accounts:		a) Balance brought forward BF	61,872,855
a) sight and not exceeding one month	57,357,365,158	b) Profit for the year	682,241,258
b) exceeding one month	17,086,638,187	Total	694,113,511
Total	74,453,963,345		

Bonds and cash notes (a)
Uncalled liability on shares and participations

Reserve Fund of the supplementary staff	1,067,848,659	
Pensions Fund	2,341,715,902	
Miscellaneous		
Total external liabilities	133,139,580,218	

CREDIT	
Interest and commissions received	8,171,073,802
Income from securities and participations	1,882,332,501

CAPITAL AND RESERVES:

Capital	4,000,000,000	Total credit	BP
Premium on new issues of capital	797,333,640		11,646,863,087
Free reserves (Art. 13 A.F. 186)	245,786,199		
Less reserve	1,127,198,933		
Total capital and reserves	6,170,272,772		

PROFIT AND LOSS ACCOUNT

a) Balance brought in	RF	51,872,556	to the legal reserve	RF	31,612,065
b) Profit for the year		832,241,258	First dividend		165,000,000
			Payments required by the Articles of Association		26,137,755
Profit available		994,113,811	Second dividend		288,750,000
			To the free reserve		120,000,000
Total liabilities	RF	145,003,566,798	Balance to be carried forward		62,813,989
Total	RF	994,113,811	Total	RF	994,113,811

PROPOSED APPROPRIATION OF PROFIT

To the legal reserve	BF	31,612.06
First dividend		165,000.00
Payments required by the Articles of Association ..		26,137.75
Second dividend		288,780.00
To the free reserve		120,000.00
Balance to be carried forward		62,613.96
Total	BF	694,113.81

PEANUTS



B.C.



MAIL ABNER



BEEBLE BAILEY



MISS PEACH



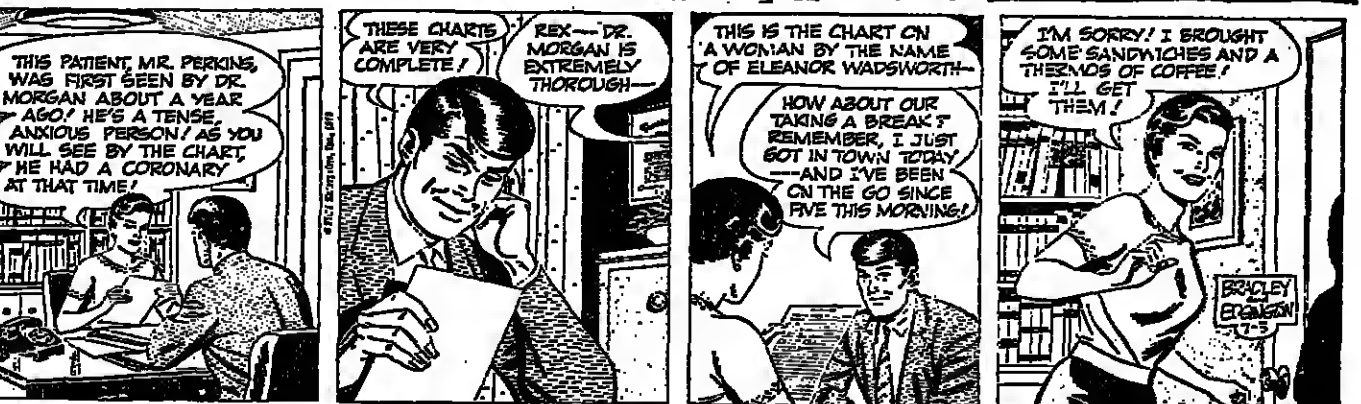
BUZZ SAWYER



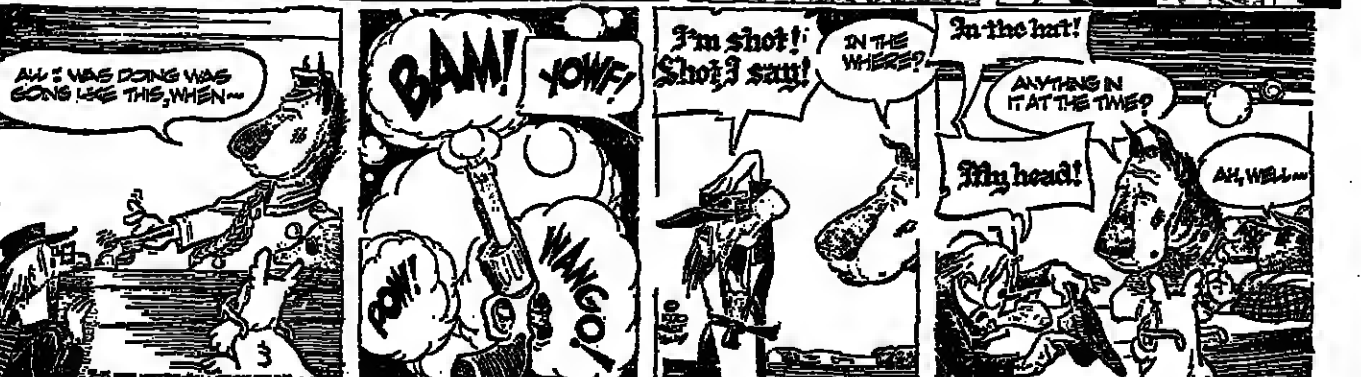
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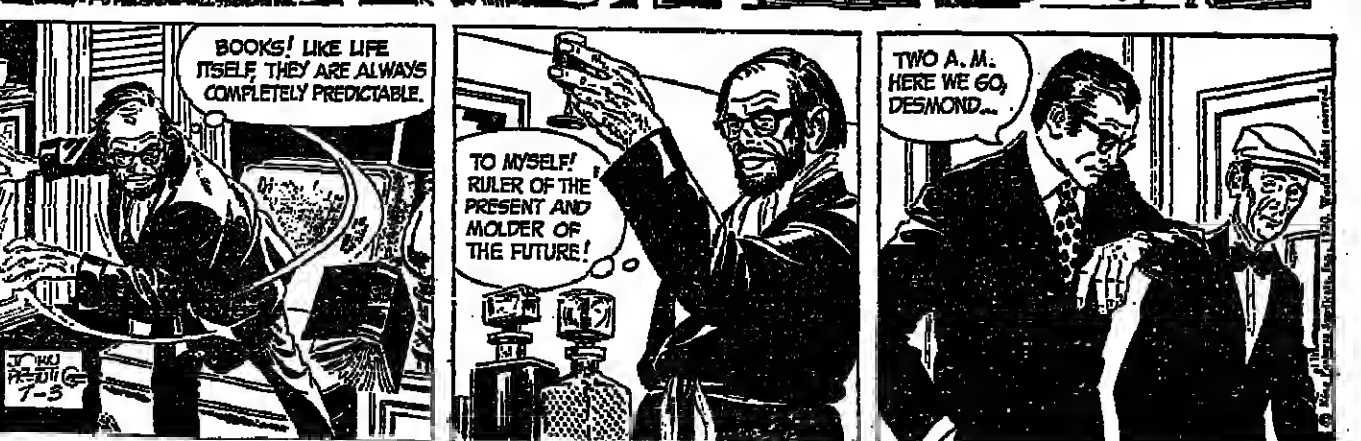
REX MORGAN M.D.



POCO



RIP KIRBY



BLONDIE



BRIDGE

By Alan Truscott

STOCKHOLM, July 3.—Italian contenders William Saulino and Italo Zanasi increased their lead to 343 points, in world pair championship play yesterday. The leading scores after 122 out of a scheduled 388 boards were: Saulino and Zanasi, 12,480; Derek Rimmington and Bob Rowlands of London, second with 12,137; Fritz Babash and Peter Manhardt of Austria, third with 12,132; Benito Garozzo and Federico Mayer of Rome, fourth with 11,749; Jonathan Canino and Claude Rodrigue of London, fifth with 11,730.

It was not easy to hit on a satisfactory game contract with the North-South hands. In five diamonds, there are three obvious losers, and three no-trump is worse. Four hearts, with a four-three trump fit, has some chance of success, and some pairs reached that contract.

In this diagrammed auction, not from the pairs competition, South's final bid was a trifle aggressive. With an aceless hand, and the possibility of finding only three trumps in the dummy, he should have been content to invite game by bidding either three diamonds or three clubs.

West led the spade king, and East encouraged by playing the ten. West now had to find a brilliant defense, and he rose to the occasion. He cashed the spade queen and led a third spade. Against this gift of a ruff-and-discard South was helpless.

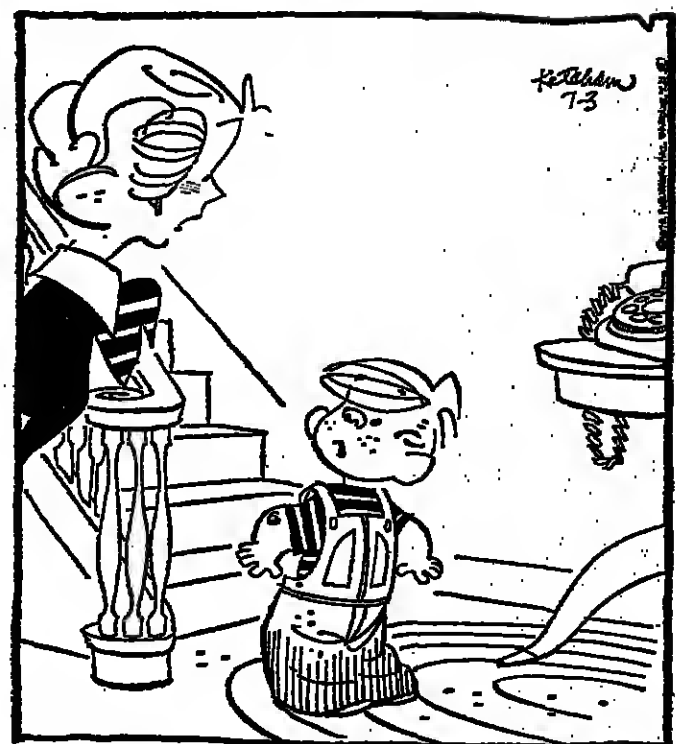
He ruffed in dummy to preserve his own trump length, and led a diamond. He could not afford to draw trumps at once for fear of losing control while the defenders still held the diamond ace.

NORTH (D)			
♠ J 4	♥ A J 3	♦ Q 10 6 5 2	♣ A J 7
WEST			
♠ K Q 9 8 6	♥ A 10 7 2	♦ 10 8 7 2	♣ 6 4
♠ A 7	♥ 8 3	♦ 8 3	♣ Q 8 8 5 2
SOUTH			
♠ 5	♥ K Q 9 5	♦ K J 9 4	♣ K 9 2

Neither side was vulnerable. The bidding:
North East South West
1 ♠ Pass 1 ♥ Pass
2 ♥ Pass 2 ♠ Pass
Pass Pass
West led the spade king.

Solution to Previous Puzzle									
DOLE	LITON	AFAR	WILIS	ELIATE	MORIT	WILIS	GOTTIT	ADONE	EVE
BEEDING	HOPECHES	BEEDING	HOPECHES	BEEDING	HOPECHES	BEEDING	HOPECHES	BEEDING	HOPECHES
ASHFUT	RIJA	DOU	OTIE	STRANDS	ODE	ALAS	OTAT	YOWLER	GARMENTS
ESN	ODITIS	FBT	ESN	ODITIS	FBT	ESN	ODITIS	FBT	ESN
SKIN	HELMINT	WIKOR	ALOE	ALONG	AFIA	NOUR	SURGE	WISS	EXES
TIENOR	TIRIS								

DENNIS THE MENACE



JUMBLE—That scrambled word game

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DENUC
 GRAVE
 SERBIC
 MIRVEN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Piped the SURPRISE ANSWER here A

Yesterday's Jumbles: DITTY COWER GRAVEN APIECE
 Answer: Ready to eat—RIPE

BOOKS

PLEASE TOUCH

A Guided Tour of the Human Potential Movement
By Jane Howard. McGraw-Hill. 271 pp. \$6.95.

Reviewed by Vivian Gornick

COMING at a time when every act of faith necessary to life was beginning to fail, the discovery that we were distorted, almost from birth, by the unbearable and unconscious clash between the grasp of culture, made psychoanalysis seem almost like the Second Coming. Hungry for salvation, men and women turned toward the famous "talking cure." Those falling acts of faith, however, had originated in a rapid increasing cultural disintegration. Classical analysts, faced continually with patients announcing, "Doctor, I can't feel," began to conclude that they were being called on to treat a social illness, not a personal aberration. Patients came to think that psychoanalysis was at fault, and that another form of therapy would come closer to the truth. Ultimately, a wild proliferation of psychotherapies sprang up, resembling, undoubtedly, the madness that must have been classical Greece on the eve of her death, when life and philosophy, having failed, philosophical systems began to multiply like rabbits.

Today, the form of psychotherapy furthest from Freud, and the one with the widest following, is a form of group treatment known as encounter therapy. It operates on the thesis that it is more vital to discover one's immediate feelings and to express them, preferably without words, than it is to probe to isolation into the dim emotional past; also, as we live mainly in groups, and are afraid mainly of other people's responses, it is only in groups that we can really discover our feelings.

What is most startling about encounter therapy is the response with which it has been met. To meet the demand, a vast number of practitioners and institutions have arisen to become, collectively, the Human Potential Movement. Although much is known, in bits and pieces, about this movement, no general survey has been made of it. Now Jane Howard, a staff writer for Life, has written a book called "Please Touch," a kind of guide through Encounter or Love based on a year of travel to various groups. It really is a good dictionary of who's who in the business, and what variant experience each one has to offer. Miss Howard's descriptions of them all are intelligent and generous. She perceives readily that some great and genuine need is at work behind all this elusive search for intimacy and for recognizable feeling. She knows that some of the people involved may be charlatans and a number fools, but that a great majority are also honest, trained and intelligent. She includes chapter-length descriptions of the people who join groups, the group techniques designed to induce sensitivity in business, privacy in families, understanding between the races, honesty in religion, emotional revelation through psycho-drama, recovered sexual energy through "bioenergetics," freedom

CROSSWORD

By Will Weng

- | ACROSS | | | | | | | | | |
|--------------------------|---------------------|---------------------------------|--|--|--|--|--|--|--|
| 1 Southern tree | 46 Long time | 21 Cultivates | | | | | | | |
| 5 Amontillado | 47 Pennsylvania | 22 Witches | | | | | | | |
| 10 Containers | 48 event of 1794 | 23 Ingredient of 5 Down | | | | | | | |
| 19 Charity | 55 Particles | 26 Wheat or millet | | | | | | | |
| 14 Waugh | 56 Baseball | 27 — car | | | | | | | |
| 15 Chianti country | 57 Common skink | 28 Withered | | | | | | | |
| 16 Bell sound | 58 Complication | 29 Bouquet | | | | | | | |
| 17 Equator | 59 Soap plant | 30 Southwest | | | | | | | |
| 18 Hebrew temple | 60 Emulate a willow | 31 mountain range | | | | | | | |
| 19 Brown ore | 61 Nigerian people | 32 Bit of poetry | | | | | | | |
| 20 Salingor | 62 Went off course | 33 Fished | | | | | | | |
| 21 perennial | 63 Teasdale | 34 Grant | | | | | | | |
| 22 Chilean cape | | 37 Path for a | | | | | | | |
| 24 Auto org. | | 38 British duties ended in 1846 | | | | | | | |
| 25 Corresponds | | 40 Diluted | | | | | | | |
| 26 Digitalis | | 41 Reading, for one | | | | | | | |
| 33 Newspapers | | 43 — from an | | | | | | | |
| 34 Moslem | | 44 Looked in a way | | | | | | | |
| 35 magistrates | | 46 Poplar | | | | | | | |
| 36 Zuyder or Tappan | | 47 Port or hook | | | | | | | |
| 37 French claret | | 48 Bonnet | | | | | | | |
| 38 Composer Orff | | 49 Asian prefix | | | | | | | |
| 39 Bed, in Paris | | 50 Incarnation of Vishnu | | | | | | | |
| 40 Amplifier | | 51 Sufficient, poetically | | | | | | | |
| 41 Hardy plant of Europe | | 52 Impression | | | | | | | |
| 42 Glazed | | 53 German river | | | | | | | |
| 45 Keg wood | | 54 California grape center | | | | | | | |

